



## **THREE YEAR ANNUAL OPERATIONAL AND CAPITAL BUDGET 2012/2013– 2014/2015 MTREF**



ANNUAL BUDGET OF

# NKOMAZI MUNICIPALITY

2012/13 TO 2014/15  
MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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## Abbreviations and Acronyms

AMR	Automated Meter Reading	ℓ	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CM	City Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

## **Part 1 – Annual Budget**

### **1.1 Mayor's Report**

**BUDGET SPEECH PRESENTED BY THE EXECUTIVE MAYOR, CLLR T.S. KHOZA PRESENTED ON THE 15th JUNE 2012 AT 11H00, AT THE SCHOEMANSDAL COMMUNITY HALL.**

Honourable Speaker,  
Esteemed Traditional Leaders Present,  
The honourable Chief Whip and Councillors,  
Municipal Manager and Senior Managers,  
Station Commissioners present  
Circuit Managers in our Midst  
Representatives from TSB  
Representatives from the Sake Kammer  
Representatives from NSSF  
Representatives from Tourism Organizations  
Representatives from Nafcoc  
CDWs and Officials, Nkomazi Business Forum, Malalane and Lebombo Taxi Associations  
Esteemed representatives from various departments,  
Leaders of Political and Labour Formations  
Leaders of Youth Formations,  
Members of the Public,  
Distinguished Guests,  
Comrades, Ladies and Gentlemen:

It was over 2000 years ago; when Sun Tzu' a Chinese General and Military Strategist in his book the Art of War ; conceived one of the most prolific military strategies of his time; when he wrote: "Strategy without tactics is the slowest route to victory, and tactics without strategy is the noise before defeat"

Honourable Speaker in 2011 we presented an elections manifesto which gave an elaborate perspective on our understanding of the aspirations of the people of Nkomazi.

In my inaugural address to this council I made a commitment to the attainment of the aspirations that were set-out in that policy statement.

It therefore became important Honourable Speaker that; we immediately engage on a detailed process in which we had to align our strategy and our tactics within the IDP and Budget, as tools which were to assist us not only to attain the commitments that we have made in our manifesto, but also to ensure that they are achieved within the prescribed period.

Taking from the ancient Chinese philosophy to which I have referred, it became clear to us that we will be doing the people of the Nkomazi a great disservice if we present the IDP as a strategy without paying an elaborate attention to the budget priorities; as tactical mechanisms to ensure that we win the battle against the triple challenges of poverty, unemployment and inequality.

Honourable Speaker his excellency the President of the Republic, Honourable Jacob Zuma, noted in his 2012 State of the Nation Address that whilst the work done last year indicates that if we continue to grow reasonably well, we will begin to write a new story about South Africa—the story of how, working together, we drove back unemployment and reduced economic inequality and poverty.

It has now also become important that we focus on the National Infrastructure Development Programme as a tactical tool to realise our victory over the triple challenges to which we have referred.

Accordingly honourable Speaker, this Budget Statement for the 2012/13 financial year, endeavours in a bit of detail to answer the question on how working together with our people; we can build better communities.

At a service delivery level we can report Honourable Speaker that part of the planning theory that informed our service delivery approach was that; whilst as a local authority we are operating from a low revenue base, and are highly dependent on insufficient grant funding, we are still expected to meet the very high service delivery backlogs.

This scenario requires strategic planning and tactical implementation of all plans in order for us to achieve the service delivery expectations of our people. To this end, several strategies and plans are accordingly being implemented to ensure that we remain responsive to the electoral commitments that we have made.

We must report in this particular regard that as Nkomazi Municipality we have approved a number of policies and strategies, including the Revenue Enhancement Strategy, Investment Policy and the Indigency policy.

We believe that these instruments will assist us to broaden our revenue base whilst at the same time ensuring that the poor and vulnerable are cushioned against the impact of raising costs of living and services.

I can mention further that public consultation processes have commenced in terms of the Revenue Enhancement Strategy and will be intensified in the upcoming financial year.

We believe Honourable Speaker that when our people begin to contribute financially and pay for municipal services, then not only will the pace of service delivery increase, but more importantly our people will begin to take responsibility and jealously protect their infrastructure from vandalism and theft.

Esteemed members will recall that in the period under review, as Nkomazi Municipality we have fallen victim to a spate of thefts of our electrical installations and transformers.

These incidents have left many of our Water Treatment Plants without power, our staff brutally attacked and our communities without water.

This situation has had devastating consequences in communities and has led to civil unrest.

On the other hand we continue to grapple with the continuous illegal connections on our water services infrastructure in many communities, and the theft of electricity especially in the Mzinti RDP area.

It has accordingly become significant ladies and gentlemen given the above challenges that we broaden our partnerships with all stakeholders in Nkomazi.

We believe that this will assist to protect our service delivery infrastructure from being vandalised for the benefit of a few individuals, and also to ensure that we extend access to municipal services to those Nkomazi citizens who still require them.

It is clear Honourable Speaker that we cannot meet the developmental priorities to which I have referred, if we do not re-direct our approach and strengthen our social partnerships.

We have to move away from the wrong premise that says; government or municipality is a sole provider of everything, for- everyone and for-free.

We have to strengthen, entrench and inculcate the notion of social partnerships for purposes of shared development, wherein the municipality, labour, business and civil society work together for betterment of the broader society. It is in this regard that as a municipality we have approved the Municipal Infrastructure Support Agency (MISA) and Nkomazi Services Support Forum (NSSF) MOU's.

We are also working in strong partnerships with other state and none-state agents like the SETA's, IDASA and the Public Works EPWP projects to increase technical capacity, to create work for our youth and to mitigate the impact of unemployment within our communities. We consider these partnerships as critical to the attainment of our goals ladies and gentlemen. It must be noted that the MISA and IDASA programmes are assisting the municipality with technical support on the implementation of our service delivery infrastructure and related programmes.

The NSSF, EPWP and SETA programmes work with us as a municipality to identify projects that not only create Jobs for our people, but have also assisted in the maintenance and rehabilitation of our infrastructure including the Kamaqhekeza Stadium and the other on-going environmental projects that are visible around Nkomazi.

We can report ladies and gentlemen that through the EPWP alone, we have managed to create 381 Jobs for our young people in Nkomazi. In the upcoming financial year we have plans to enlist 147 young people on the EPWP projects within Nkomazi.

I can mention further Honourable Speaker that working through the SETA's, we intent in the new financial year to enrol about 150 young graduates on learnership programmes in various fields within the municipality. We believe that these programmes will ensure that our young people are given the necessary exposure and space to obtain the working experience that they desperately need.

Honourable Speaker having entered the Youth Month of June, we remain conscious of, and inspired by the selfless sacrifices that were made by the youth of this country in 1976.

We continue to salute their brave spirit and their willingness to pay the ultimate price in defence of their motherland. We call upon all our young people in Nkomazi to emulate this generation of young combatants of their time.

We wish to say in the same vein that the June 16 sacrifices would have been in vain if our youth today remain uneducated and unable to participate in the economic opportunities of their country. Accordingly we call upon our youth to take advantage of the academic, economic and Job creation interventions that the ANC government is making available at every level for their advancement. We encourage them to use these interventions as weapons with which they will overcome the triple challenges of poverty, unemployment and inequality.

It has always been the agenda of the ANC ladies and gentlemen as it celebrates its 100 years of unbroken struggles for the political and economic emancipation of the African child; to ensure that the economic growth and development of our country succeeds in a manner that protects the poor and the vulnerable in our society.

In his state of the Province Address, the Premier of the Province, honourable DD Mabuza identified the shortage of water in our communities as a critical challenge that required a sharper focus by this province in the short to medium term.

Honourable members will recall that just recently the Premier has visited us twice already in part; to investigate the challenges that still exist in the provision of water services , and also to engage us on the possible interventions that might assist in mitigating those challenges.

We are convinced ladies and gentlemen that the water services intervention plans that our provincial government intends making in Nkomazi will go a long way in mitigating the impact of water shortages within our communities.

Honourable Speaker, it is accordingly our pleasure to present the IDP and the Medium-Term Revenue and Expenditure Framework (MTREF) for the 2012/13, 2013/14 and 2014/15 financial years. This is a tool which we believe will facilitate a better life for the citizens of Nkomazi.

This budget, Honourable Speaker is our arsenal against the triple challenges of poverty, unemployment and inequality as referred to above.

I believe that honourable members are already aware that the National Treasury Budget Review for 2012 has noted that the South African economy has demonstrated resilience despite the turbulent international economic conditions.

The domestic outlook remains positive over the medium term, meaning that it is time once again to invest in projects in our municipality which will have positive future returns for the citizens of Nkomazi. We have taken cognisance of the fact Honourable Speaker that whilst the conditions for continuous investment in our community infrastructure are ripe; intensifying cooperation and collaboration with our communities and sector partners will be crucial in the attainment of the goals that we have set for ourselves.

This Budget Honourable Speaker cannot be a mere statement of municipal accounts. It has to reflect the aspirations of our people, the vision and policy perspectives that we envisage as a municipality.

With the turbulent global financial climate, the changing development imperatives and economic reforms worldwide, the focus of economic activity is shifting towards the non-governmental actors, bringing into sharper focus the role of the Municipality as an enabler.

In discharging its role as an enabler a municipality seizes to direct its focus on trying to deliver directly to the citizens everything that they need in terms of economic development. But instead it focuses on the creation of an enabling basis and ethos so that individual enterprise and creativity can flourish.



This approach to budgeting will achieve the dual goal of creating the required environment for the local economy to grow on the one hand; whilst allowing the Municipality time to concentrate on supporting and delivering services to the disadvantaged sections of the society on the other hand.

Accordingly honourable members will recall that just recently the municipality in partnership with our sector partners; we staged a huge concert in Driekoppies Dam in honour of the late President Samora Machel.

This concert drew a lot of people from Mozambique, Swaziland and here in the country to Nkomazi. By drawing such a large number of guests to our shores, the occasion has greatly promoted our Local Economic Development in that during the event; we are informed that from the 31st of May to the 04th June; most of local Guest Houses, hotels and B&B's were fully booked for a number of days; and also local vendors were also sold out.

This is the economic environment ladies and gentlemen that we wish to continuously create and sustain in order to stimulate our LED. It is accordingly this broad conceptualization of the Budget ladies and gentlemen that informs my speech today. I would now begin by presenting a brief outline of the key elements that underpin the 2012/13 Budget.

Honourable Speaker in the past few months we initiated a process in terms of which we consulted the communities of Nkomazi on the Budget, the Revenue Enhancement Strategy and the IDP. I am glad to report in this regard that given the new focus on the revenue enhancement, we decided to extend the number of communities that we consulted and I must say that the attendance in many of our meetings was amazing.

I must applaud these communities for heeding our relentless calls for community participation because this is indeed the foundation of open and democratic governance. We wish to re-emphasize to our communities that the issues that they raised during the public participation meetings; always form the basis on which critical budget decisions are taken. We should all ensure that we always attend wherever possible so that we influence and enrich decision making in the areas where we live.

Honourable Speaker we are humbled to present the Annual Budget of Nkomazi Municipality of **R 671 Million** for **2012/13** financial year. This Budget makes provision for an Operating Budget of **R486 Million** and a Capital Budget of **R185 Million**.

We can say with confidence Honourable Speaker that this budget has been compiled in compliance with the relevant provisions of the MFMA and budget related regulations.

We can mention further that the preparation of this budget was also informed by the job creation imperatives of the Mpumalanga New Growth Path: Mpumalanga Economic Growth and Development Plan (**MEGDP**), This plan focuses on the following six (6) job drivers

- Infrastructure development
- Agriculture sector
- Manufacturing and beneficiation (agro-processing, mining and chemicals value chains)
- Rural development, agriculture and forestry
- Tourism, creative industries and culture sector
- Green economy and knowledge sector.

It will be important to note therefore that this budget will show a marked bias towards projects with the highest potential for Job creation and economic development.

Honourable Speaker in the budget of the preceding financial year; we committed that to the development of various community infrastructure projects.

Outlined below are some of the key projects that we embarked upon in the past financial year:

- The construction of bus routes in Block C, Ntunda, Magogeni and Shulzendal.
- The construction of the Khombaso Reservoir and Pumping Station, several reticulation and sanitation projects in various villages.
- Schoemansdal Community Hall and many other projects.

We believe ladies and gentlemen that through these projects; we have been able to create many job opportunities and improved the living conditions for the people of Nkomazi.

We are therefore excited that the New Provincial Growth Path continues to emphasize job creation and infrastructure development as key ingredients that should inform our planning and budgeting going forward.

Honourable Speaker in keeping with the vision to build better communities as espoused in our elections manifesto; we initiated a process in terms of which we engaged our communities and stakeholders with a view to outlining our proposed medium-term IDP priorities, and their implications for the budget.

We can confirm in this regard that the budget decisions and projects that I will outline in this budget have also been enriched by the outcomes of that process:

## **1. Water Services**

The eradication of the water services challenges in Nkomazi remain one of key goals of this administration since we took office. We have committed in every financial year to direct large amounts of our resources to the attainment of this goal until it is achieved.

Visible progress has already been made in this regard; but it is clear that a lot more work still needs to be done. Accordingly in the current budget we are committing an amount of **R 41 Million** to the Mbuzini Bulk Water Supply Scheme phase 2 project.

We believe Honourable Speaker that this project will complete the much needed augmentation bulk lines from Khombaso to Thambokhulu; Thambokhulu to Mbuzini; and the relevant pump stations. We also intend building a reservoir in Thambokhulu to ensure bulk storage capacity in that area. These projects Honourable Speaker have the capacity to address the long standing water services backlogs in those communities.

We will in the same breath also be forging ahead with **R 6.7 Million** phase 2 upgrade of the Masibekela Water Treatment Works, **R 4.2 Million** for the Hoyi Reservoir/Elevated tower. The Phiva, Mdladla and Sikhwahlane communities will also be getting Elevated Towers for **R 3.7 Million**.

The ever increasing pace of residential and economic growth in the Tonga area has also hastened the need to implement the long anticipated phase 2 upgrade of the Tonga Water Treatment Works at **R 23.4 Million**. We will also be allocating about **R 19 Million** for water reticulation projects in Ntunda, Steenbok, Malelane Ext 21 and Phosaville Ext 2.

## **2. Sanitation**

Honourable Speaker sanitation remains one of the key elements in the creation of healthy and safe communities. It is mainly for this reason that since we took office; we have been relentless in our drive to ensure that we broaden access to sanitation facilities in our communities. We must be happy to announce in this regard that an amount of **R 10 Million** will be appropriated to address the sanitation backlogs in our new and old rural communities.

We wish to report in the same breath that in the short to medium term, we will be confronting a difficult challenge that is forcing us to work with added speed to ensure that we increase the sanitation capacity of our Malelane Waste Water Treatment Works. This situation Honourable Speaker is being caused in part by the exponential growth rate of our urban settlements and industrial developments in Malelane.

Our mid-terms forecast shows us that if we do not act urgently on this matter; in a short while our existing sewer infrastructure will collapse and we might end-up with overflows into our rivers. I have accordingly instructed the administration to put together a sustainable plan that will on an urgent basis assist us to address this impending catastrophe.

We will in the short to medium term be announcing our detailed programmes and plan of action on how this matter will be resolved.

## **3. Roads**

The road infrastructure is also one of the key assets that drive community development and economic growth. Year-on-year we have endeavoured to increase our coverage in terms of the required upgrades to our public road infrastructure.

Honourable Speaker I am sure that the residents of Langelooop and Komatipoort will be excited to learn that in this financial year ; we are committing **R 9.9 Million** towards the completion of the langelooop bus route , and a further **R 3 Million** towards the upgrading and surfacing of Suid-Dorp in Komatipoort.

## **4. Electricity**

The upgrading of our bulk electricity infrastructure and the electricity connections for households in our communities continues to be an important aspect of our focus on service delivery.

Accordingly there will be a **R 5 Million** injection into the Eskom bulk electrical grid; and a further **R 14.6 Million** will be injected into electrification projects in Nkomazi; including the Mzinti RDP area.

## 5. Community Facilities

Honourable Speaker the upgrade of our community sport facilities is also an important aspect of our focus. We will accordingly be injecting an amount of **R 5.4 Million** to the additional upgrades to both the Kamaqhekeza and Kamhlushwa Stadiums.

The Community of Dluhluma will also be happy to learn that **R 4.7 Million** has been allocated towards the construction of the Dluhluma Community Hall.

## 6. Municipal Tariffs

Honourable Speaker this is the important side of the Budget; which unfortunately hardly receives any clapping of hands; unless it relates to the reduction of municipal tariffs; which unfortunately also hardly happens.

We therefore wish to announce nevertheless the Municipal Tariffs for the 2012/13 financial year. The Assessment Rates, Water and Sanitation increases by **10%**. Nersa has approved the Eskom tariffs for the 2012/13 financial year and accordingly electricity consumption tariffs will increase by **15%**.

It will be important to note Honourable Speaker as I conclude this Budget statement, that a budget alone cannot do deliver on a commitment. It takes the determination and courage of individuals; men and women to ensure that the promise that the budget makes gets fulfilled. We must not forget that it is our actions today; that will determine our tomorrow.

I have placed my faith in the hands of the people who, I know, can be depended upon to rise to any occasion in municipality's interest. I have placed my faith in the collective conscience and wisdom of my administration, the political leadership, the ANC, our partners and most importantly, the people of Nkomazi.

I wish in the same spirit Honourable Speaker to take this moment to pay tribute our colleague the late Cllr. JN Mpofu and several officials that we have lost during the previous financial year.

I wish to say that we remain proud of their contribution to the service of mankind. Their contribution and dedication will continue to inspire us as we soldier on towards the realisation of the dream for which they lived and died.

To all the families that have lost those colleagues of ours; we wish that you remember that the work of your children was not in vain; they contributed to a selfless and higher course; and that is service to fellow mankind. We are proud of them and we will forever remember their selfless dedication and commitment.

Allow me ladies and gentlemen as I conclude my address further to remind everyone about the words that were spoken by Martin Luther King Jr when said "An individual has not started living until he can rise above the narrow confines of his individualistic concerns to the broader concerns of all humanity". We are all servants to a higher course, and it is only when we raise above our own limitations that we begin to get a better view of the glorious responsibilities for which we exist as mankind.

I wish lastly to thank my technical team that has helped me to put together this budget, fellow councillors and colleagues. I thank you for supporting me in executing the mammoth tasks that lies on my shoulders. I wish to thank my family for always supporting me despite my impossible schedules. Honourable Speaker I present for approval the Draft Budget and IDP for the 2012/13 financial year.

I THANK YOU.

## 1.2 Council Resolutions

On the 15<sup>th</sup> of March 2012 council approved the annual three year operational and capital budget for 2012/2013 – 2014/15 MTREF under item number **NKM: S-GCM: A142/2012**, the resolution was as follows:

1. The annual budget for the 2012/2013, 2013/2014 and 2014/2015 financial years as set out in the following budget tables is approved as tabled:
  - Table A1 : Budget Summary
  - Table A2 : Budgeted Financial Performance (revenue and expenditure by standard classification)
  - Table A3: Budgeted Financial Performance (revenue and expenditure by municipal vote)
  - Table A4 : Budget Financial Performance (revenue and expenditure)
  - Table A5 : Budgeted Capital Expenditure by vote, standard classification and Funding
  - Table A6 : Budgeted Financial Position
  - Table A7 : Budgeted Cash Flows
  - Table A8 : Cash Backed Reserves / Accumulate Surplus Reconciliation
  - Table A9 : Asset Management
  - Table A10 : Basic Service Delivery Measurement
2. The total Annual Operating Budget for the 2012/13 financial year for the amount of **R486,205, 883** is approved as tabled.
3. The total Annual Capital Budget for the 2012/2013 financial year for the amount of **R185,546,720** is approved as tabled.
4. The total sum of **R671,752,603** for the Annual Budget for Nkomazi Municipal Council for the financial year 2012/2013 and as indicative for the two projected outer years 2013/14, and 2014/15 is approved as tabled for the 2012/13 Financial Year.
5. That the general Annual tariff increase of approximately 10% of the Assessment Rates, Water & Sanitation charges increases at 10% and the electricity tariff increase of 15% is approved as tabled.

### **1.3 Executive Summary on the 2012/2013 TO 2014/2015 MTREF**

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 51, 54, 55, 58 and 59 were used to guide the compilation of the 2012/13 MTREF.

The main challenges experienced during the compilation of the 2012/13 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continues to exceed consumer inflation, as well as the need to fill critical vacancies.

The following budget principles and guidelines directly informed the compilation of the 2012/13 MTREF:

- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2012/13 Medium-term Revenue and Expenditure Framework:

### **Consolidated Overview of the 2012/13 MTREF**

The Total Budget for 2012/2013 financial year amount to **R671, 752, 603**

<b>R thousands</b>	<b>Adjusted Budget 2011/12</b>	<b>Budget Year 2012/13</b>	<b>Budget Year +1 2013/14</b>	<b>Budget Year +2 2014/15</b>
Total Operating Revenue	374 555 783	461 647 069	490 148 677	531 977 683
Total Operating Expenditure	447 283 583	486 205 883	512 180 171	538 259 538
<b>Surplus/(Deficit) for the year</b>	<b>( 72 727 800)</b>	<b>( 24 558 814)</b>	<b>( 22 031 494)</b>	<b>( 6 281 856)</b>
Total Capital expenditure	174 764 492	185 546 720	177 057 770	195 635 400

Total operating revenue has grown by 23.25 per cent or R87 million for the 2012/13 financial year when compared to the 2011/12 Adjustments Budget. For the two outer years, operational revenue will increase by 6.17 and 8.53 per cent respectively, equating to a total revenue growth of R157 million over the MTREF when compared to the 2011/12 financial year.

Total operating expenditure for the 2012/13 financial year has been appropriated at R486.2 million and translates into a budgeted deficit of R24.5 million. When compared to the 2011/12 Adjustments Budget, operational expenditure has grown by 8.70 per cent in the 2012/13 budget and by 5.34 and 5.09 per cent for each of the respective outer years of the MTREF. The operating deficit for the two outer years steadily reduces to R22.03 million and R6.28 million.

The capital budget of R185.5 million for 2012/13 is 6.17 per cent above when compared to the 2011/12 Adjustment Budget. The increment is due to increase of conditional grants allocated to the municipality. The capital programme increases to R177.05 million in the 2013/14 financial year and R195.6 million 2014/15. A substantial portion of the capital budget will be funded from conditional grants over MTREF.

The following table indicates funding sources of the capital budget

<b>R thousands</b>	<b>Budget Year 2012/13</b>	<b>Budget Year +1 2013/14</b>	<b>Budget Year +2 2014/15</b>
Transfers recognised - capital	144 633	146 278	161 339
Internally generated funds	40 914	30 779	34 296
<b>Total Capital expenditure</b>	<b>185 547</b>	<b>177 058</b>	<b>195 635</b>

## 1.4 Operating Revenue Framework

For Nkomazi Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The Annual Operating Revenue Budget amounts to **R461, 647, 069**.

The following table is a summary of the 2012/13 MTREF (classified by main revenue source):

### Summary of revenue classified by main revenue source

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Revenue By Source</b>										
Property rates	23 083 716	35 576 766	29 014 752	48 000 000	48 000 000	48 000 000	48 000 000	74 207 473	81 628 220	89 791 042
Service charges - electricity revenue	24 202 020	28 070 647	32 894 829	36 896 103	36 896 103	36 896 103	36 896 103	50 689 070	55 757 976	61 333 774
Service charges - water revenue	7 692 955	9 118 520	17 552 945	15 314 073	15 314 073	15 314 073	15 314 073	18 664 661	20 531 128	22 584 240
Service charges - sanitation revenue	2 770 791	2 269 798	3 948 487	2 707 552	2 707 552	2 707 552	2 707 552	2 978 307	3 276 138	3 603 752
Service charges - refuse revenue	3 144 031	3 343 244	948 360	4 041 122	4 041 122	4 041 122	4 041 122	4 445 234	4 889 758	5 378 733
Service charges - other	500	-	-	660 000	660 000	660 000	660 000	250 000	275 000	302 500
Rental of facilities and equipment	847 510	540 790	3 420 226	1 507 564	1 507 564	1 507 564	1 507 564	2 092 536	2 301 789	2 531 968
Interest earned - external investments	17 623 092	8 220 520	4 531 503	7 015 838	2 015 838	2 015 838	2 015 838	2 000 000	2 200 000	2 420 000
Interest earned - outstanding debtors	1 252 693	1 165 028	-	6 000	6 000	6 000	6 000	1 500 000	1 650 000	1 815 000
Fines	612 998	373 185	552 589	1 506 174	1 506 174	1 506 174	1 506 174	1 650 000	1 815 000	1 996 500
Licences and permits	19 916	19 916	-	42 451	42 451	42 451	42 451	46 696	51 366	56 502
Agency services	7 910 674	7 479 807	7 071 112	8 680 561	8 680 561	8 680 561	8 680 561	23 605 332	25 965 866	28 562 452
Transfers recognised - operational	168 165 620	174 578 437	217 758 097	245 591 000	249 100 616	249 100 616	249 100 616	274 896 480	284 752 580	306 074 600
Other revenue	22 618 031	22 860 273	5 255 946	4 145 082	4 077 729	4 077 729	4 077 729	4 621 280	5 053 857	5 526 618
Gains on disposal of PPE	586 423	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>280 530 970</b>	<b>293 616 930</b>	<b>322 948 846</b>	<b>376 113 520</b>	<b>374 555 783</b>	<b>374 555 783</b>	<b>374 555 783</b>	<b>461 647 069</b>	<b>490 148 677</b>	<b>531 977 683</b>



## Percentage growth in revenue by main revenue source

Description	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure			
	Adjusted Budget	%	Budget Year 2012/13	%	Budget Year +1 2013/14	%	Budget Year +2 2014/15	%
<b>R thousand</b>								
<b>Revenue By Source</b>								
Property rates	48 000 000	12.8%	74 207 473	16.1%	81 628 220	16.7%	89 791 042	16.9%
Service charges - electricity revenue	36 896 103	9.9%	50 689 070	11.0%	55 757 976	11.4%	61 333 774	11.5%
Service charges - water revenue	15 314 073	4.1%	18 664 661	4.0%	20 531 128	4.2%	22 584 240	4.2%
Service charges - sanitation revenue	2 707 552	0.7%	2 978 307	0.6%	3 276 138	0.7%	3 603 752	0.7%
Service charges - refuse revenue	4 041 122	1.1%	4 445 234	1.0%	4 889 758	1.0%	5 378 733	1.0%
Service charges - other	660 000	0.2%	250 000	0.1%	275 000	0.1%	302 500	0.1%
Rental of facilities and equipment	1 507 564	0.4%	2 092 536	0.5%	2 301 789	0.5%	2 531 968	0.5%
Interest earned - external investments	2 015 838	0.5%	2 000 000	0.4%	2 200 000	0.4%	2 420 000	0.5%
Interest earned - outstanding debtors	6 000	0.002%	1 500 000	0.3%	1 650 000	0.3%	1 815 000	0.3%
Fines	1 506 174	0.4%	1 650 000	0.4%	1 815 000	0.4%	1 996 500	0.4%
Licences and permits	42 451	0.01%	46 696	0.0%	51 366	0.0%	56 502	0.0%
Agency services	8 680 561	2.3%	23 605 332	5.1%	25 965 866	5.3%	28 562 452	5.4%
Transfers recognised - operational	249 100 616	66.5%	274 896 480	59.5%	284 752 580	58.1%	306 074 600	57.5%
Other revenue	4 077 729	1.1%	4 621 280	1.0%	5 053 857	1.0%	5 526 618	1.0%
Gains on disposal of PPE								
<b>Total Revenue</b>	<b>374 555 783</b>	<b>100%</b>	<b>461 647 069</b>	<b>100%</b>	<b>490 148 677</b>	<b>100%</b>	<b>531 977 683</b>	<b>100%</b>
Total Revenue from rates and services	107 618 850	28.7%	151 234 745	32.8%	166 358 220	33.9%	182 994 042	34.4%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

In the 2011/12 financial year, revenue from rates and services charges totalled R107.6 million or 28.7 per cent. This increases to R151.2 million, R166.3 million and R183 million in the respective financial years of the MTREF. A notable trend is the increase in the total percentage revenue generated from rates and services charges which increases from 28.7 per cent in 2011/12 to 34.4 per cent in 2014/15. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in SA1 (see pages 86 to 88).

Property rates revenue source totalling 16.1 per cent or R73.2 million rand and increases to R89.7 million by 2014/15. The third largest sources is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totals R249.1 million in the 2011/12 financial year and steadily increases to R306.1 million by 2014/15. Note that the year-on-year growth for the 2012/13 financial year is 10.4 per cent and then flattens out to 3.6 and 7.5 per cent in the two outer years.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

### Operating Transfers and Grant Receipts

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>168 165 620</b>	<b>174 578 437</b>	<b>209 693 097</b>	<b>247 229 000</b>	<b>250 332 616</b>	<b>250 332 616</b>	<b>274 896 480</b>	<b>284 752 580</b>	<b>306 074 600</b>
Local Government Equitable Share	144 660 370	157 899 135	196 588 097	234 566 000	234 566 000	234 566 000	259 653 000	278 075 000	298 694 000
Finance Management	500 000	750 000	1 000 000	1 250 000	1 250 000	1 250 000	1 500 000	1 500 000	1 750 000
Municipal Systems Improvement	735 000	735 000	750 000	790 000	790 000	790 000	800 000	870 000	950 000
Water Services Operating Subsidy	22 270 250	15 194 302	11 355 000	8 985 000	9 059 000	9 059 000	7 494 000		
EPWP Incentive				1 638 000	1 638 000	1 638 000	1 366 000		
MIG-PMU Operational (3%)					3 029 616	3 029 616	4 083 480	4 307 580	4 680 600
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>480 000</b>	<b>480 000</b>	<b>-</b>	<b>-</b>	<b>-</b>
LGSETA Learnership grant			-		480 000	480 000			
<b>Total Operating Transfers and Grants</b>	<b>168 165 620</b>	<b>174 578 437</b>	<b>209 693 097</b>	<b>247 229 000</b>	<b>250 812 616</b>	<b>250 812 616</b>	<b>274 896 480</b>	<b>284 752 580</b>	<b>306 074 600</b>

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

### 1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). Any further additional rebates are determined by council on an annual basis.

The categories of rateable properties for purposes of levying rates and the proposed rates for the 2012/13 financial year based on a **10** per cent increase from 1 July 2012 is contained below:

#### Comparison of proposed rates to levied for the 2012/13 financial year

CATEGORY	EXISTING 2011/2012	PROPOSED 2012/2013
	<b>C</b>	<b>C</b>
Unimproved Residential Stands Marloth Park	0.032	0.035
Unimproved Residential Stands	0.034	0.037
Improved Residential Stands	0.0075	0.008
Business	0.016	0.02
Agricultural	0.0043	0.002
Nature reserve Sanpark		Exempt
Nature reserve Sanpark business properties		0.1855
State Owned	0.012	0.013
PSI	0.043	0.002
<b>Rebates:</b>		
Private owned towns-Phase in 3 years 75%-50%-25%		
Residential- Consolidated or Notarial Tide - 2 stands	20%	20%
-3 stands	30%	30%
-4 stands or more	40%	40%
RDP Houses (Flat rate)	R 15.00	R 15.00
Entrance Control Levy - improved stands	R 35.00	R 35.00
Entrance Control Levy - unimproved stands	R 15.00	R 15.00

### 1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure, new water treatment plants construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

A tariff increase of **10** per cent from 1 July 2012 for water is proposed. In addition 6 kℓ water per 30-day period will again be granted free of charge to all residents.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

#### Proposed Water Tariffs

CATEGORY	EXISTING 2011/2012	PROPOSED 2012/2013
Basic charge	R 73.41	80.71
Water consumption per kl	R 3.74	4.11
<b>Kamhlushwa Residential Yard Connections</b>		
1-6kl	R 3.62	3.98
6-20kl	R 4.59	5.04
20-40kl	R 5.03	5.53
40 + kl	R 5.37	5.90
<b>Kamhlushwa Stand Pipe</b>		
1-6kl	R 1.93	2.12
6-20kl	R 2.71	2.98
20-40kl	R 3.25	3.57
40 + kl	R 3.66	4.02
<b>Kamhlushwa Business</b>		
1-20kl	R 4.90	5.39
20-40kl	R 5.72	6.29
40 + kl	R 6.35	6.98
Phosaville	R 1.65	1.81
<b>2.2 MARLOTH PARK</b>		
Basic Charge	R 18.32	R 20.18

#### **1.4.3 Sale of Electricity and Impact of Tariff Increases**

NERSA has announced the revised bulk electricity pricing structure. A **11.03** per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2012. However the municipality was granted 15 per cent increase by NERSA.

Currently, residential customers that consume less than 100 kWh per 30-day period will receive 50 kWh free of charge.

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2012. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

#### **1.4.4 Sanitation and Impact of Tariff Increases**

A tariff increase of **10** per cent for sanitation from 1 July 2012 is proposed.

#### **1.4.5 Waste Removal and Impact of Tariff Increases**

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.

A **10** per cent increase in the waste removal tariff is proposed from 1 July 2012.

## 1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on municipal services

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13 % incr.	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Rand/cent</b>										
<b>Monthly Account for Household - 'Middle Income Range'</b>										
<b>Rates and services charges:</b>										
Property rates	327.25	313.23	355.94	355.94	355.94	355.94	0%	355.94	355.94	355.94
Electricity: Basic levy	40.10	42.50	45.05	49.56	49.56	49.56	102%	100.00	106.00	112.36
Electricity: Consumption	394.00	528.00	700.00	840.00	840.00	840.00	15%	970.00	1 028.20	1 089.89
Water: Basic levy	59.40	62.95	66.73	73.41	73.41	73.41	10%	80.71	85.55	90.69
Water: Consumption	91.50	96.00	102.00	112.20	112.20	112.20	10%	123.30	130.70	138.54
Sanitation	95.50	101.00	107.06	117.76	117.76	117.76	10%	129.53	137.30	145.54
Refuse removal	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
<b>sub-total</b>	<b>1 007.75</b>	<b>1 143.68</b>	<b>1 376.78</b>	<b>1 548.87</b>	<b>1 548.87</b>	<b>1 548.87</b>	<b>13.6%</b>	<b>1 759.48</b>	<b>1 843.69</b>	<b>1 932.96</b>
VAT on Services	95.27	116.26	142.92	167.01	167.01	167.01	–	196.50	208.29	220.78
<b>Total large household bill:</b>	<b>1 103.02</b>	<b>1 259.94</b>	<b>1 519.70</b>	<b>1 715.88</b>	<b>1 715.88</b>	<b>1 715.88</b>	<b>14.0%</b>	<b>1 955.97</b>	<b>2 051.98</b>	<b>2 153.74</b>
<b>% increase/-decrease</b>		<b>14.2%</b>	<b>20.6%</b>	<b>12.9%</b>	<b>–</b>	<b>–</b>		<b>14.0%</b>	<b>4.9%</b>	<b>5.0%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>										
<b>Rates and services charges:</b>										
Property rates	233.75	219.73	249.69	249.69	249.69	249.69	0%	249.69	249.69	249.69
Electricity: Basic levy	40.10	42.50	45.05	49.56	49.56	49.56	102%	100.00	106.00	112.36
Electricity: Consumption	197.00	264.00	350.00	420.00	420.00	420.00	15%	485.00	514.10	544.95
Water: Basic levy	59.40	62.95	66.73	73.41	73.41	73.41	10%	80.71	85.55	90.69
Water: Consumption	76.25	80.00	85.00	93.50	93.50	93.50	10%	102.75	108.92	115.45
Sanitation	95.50	101.00	107.06	117.76	117.76	117.76	10%	129.53	137.30	145.54
Refuse removal	59.00	62.50	66.25	72.88	72.88	72.88	10%	80.16	137.30	145.54
Other										
<b>sub-total</b>	<b>761.00</b>	<b>832.68</b>	<b>969.78</b>	<b>1 076.80</b>	<b>1 076.80</b>	<b>1 076.80</b>	<b>14.0%</b>	<b>1 227.84</b>	<b>1 338.86</b>	<b>1 404.21</b>
VAT on Services	73.82	85.81	100.81	115.80	115.80	115.80	–	136.94	152.48	161.63
<b>Total small household bill:</b>	<b>834.82</b>	<b>918.49</b>	<b>1 070.59</b>	<b>1 192.59</b>	<b>1 192.59</b>	<b>1 192.59</b>	<b>14.4%</b>	<b>1 364.78</b>	<b>1 491.34</b>	<b>1 565.84</b>
<b>% increase/-decrease</b>		<b>10.0%</b>	<b>16.6%</b>	<b>11.4%</b>	<b>–</b>	<b>–</b>		<b>14.4%</b>	<b>9.3%</b>	<b>5.0%</b>
<b>Monthly Account for Household - 'Indigent Household receiving free basic services'</b>										
<b>Rates and services charges:</b>										
Property rates		15.00	15.00	15.00	15.00	15.00	0%	15.00	15.00	15.00
Electricity: Basic levy	50.00	50.00	50.00	50.00	50.00	50.00	0%	50.00	50.00	50.00
Electricity: Consumption										
Water: Basic levy										
Water: Consumption										
Sanitation										
Refuse removal										
Other										
<b>sub-total</b>	<b>50.00</b>	<b>65.00</b>	<b>65.00</b>	<b>65.00</b>	<b>65.00</b>	<b>65.00</b>	<b>–</b>	<b>65.00</b>	<b>65.00</b>	<b>65.00</b>
VAT on Services	7.00	7.00	7.00	7.00	7.00	7.00	–	7.00	7.00	7.00
<b>Total small household bill:</b>	<b>57.00</b>	<b>72.00</b>	<b>72.00</b>	<b>72.00</b>	<b>72.00</b>	<b>72.00</b>	<b>–</b>	<b>72.00</b>	<b>72.00</b>	<b>72.00</b>
<b>% increase/-decrease</b>		<b>26.3%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>–</b>	<b>–</b>	<b>–</b>

## 1.5 Operating Expenditure Framework

The Annual Operating Revenue Budget amounts to **R486, 205, 883**.

The municipality's expenditure framework for the 2012/13 budget and MTREF is informed by the following:

- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned IDP priorities
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of ***no project plan no budget***. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2012/13 budget and MTREF (classified per main type of operating expenditure):

### Summary of operating expenditure by standard classification item

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Expenditure By Type</b>										
Employee related costs	101 858 929	128 797 265	162 840 915	171 929 649	173 112 308	173 112 308	173 112 308	184 893 536	195 252 318	205 915 299
Remuneration of councillors	11 998 076	13 262 430	14 107 252	14 637 236	13 307 302	14 092 432	14 092 432	17 403 532	18 523 088	19 523 334
Debt impairment	1 620 304	5 444 501	1 541 772	1 200 000	12 500 000	13 237 500	13 237 500	13 175 000	13 912 800	14 664 091
Depreciation & asset impairment	30 270 869	32 583 163	39 582 653	7 437 598	51 906 929	51 906 929	51 906 929	54 719 969	57 784 287	60 904 639
Finance charges	3 332 309	2 706 545	3 109 187	1 347 041	1 426 516	1 426 516	1 426 516	1 419 781	1 499 289	1 580 251
Bulk purchases	27 136 475	41 082 119	43 229 297	55 524 779	55 524 779	55 524 779	55 524 779	62 920 606	66 444 160	70 032 145
Other materials	2 410 478	2 039 545	133 949	1 028 852	1 347 041	1 347 041	1 347 041	1 084 709	1 146 023	1 207 971
Contracted services	3 348 588	5 486 083	7 101 761	7 557 488	8 391 488	8 391 488	8 391 488	10 469 619	11 055 918	11 669 834
Transfers and grants	-	-	-	62 400	69 400	69 400	69 400	6 797 999	7 468 999	8 206 183
Other expenditure	80 837 478	165 828 839	132 276 367	117 224 180	129 697 820	129 697 820	129 697 820	133 321 131	139 093 289	144 555 791
Loss on disposal of PPE										
<b>Total Expenditure</b>	<b>262 813 506</b>	<b>397 230 490</b>	<b>403 923 153</b>	<b>377 949 223</b>	<b>447 283 583</b>	<b>448 806 214</b>	<b>448 806 214</b>	<b>486 205 883</b>	<b>512 180 171</b>	<b>538 259 538</b>

The budgeted allocation for employee related costs for the 2012/13 financial year totals R184.8 million, which equals **38** per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of **7.5** per cent for the 2012/13 financial year. An annual increase of 5.5 per cent has been included in the two outer years of the MTREF. As part of the municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 93 per cent. For the 2012/13 financial year this amount equates to R13.1 million and escalates to R14.6 million by 2013/14. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R54.7 million for the 2012/13 financial and equates to 11.3 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other materials comprises of amongst others the purchase materials for maintenance, promotional material and cleaning materials.

Contracted services has been identified as a cost saving area for the municipality. As part of the compilation of the 2012/13 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2012/13 financial year, this group of expenditure totals R10.4 million. Further details relating to contracted services can be seen in Table SA1 on pages 86 to 88.

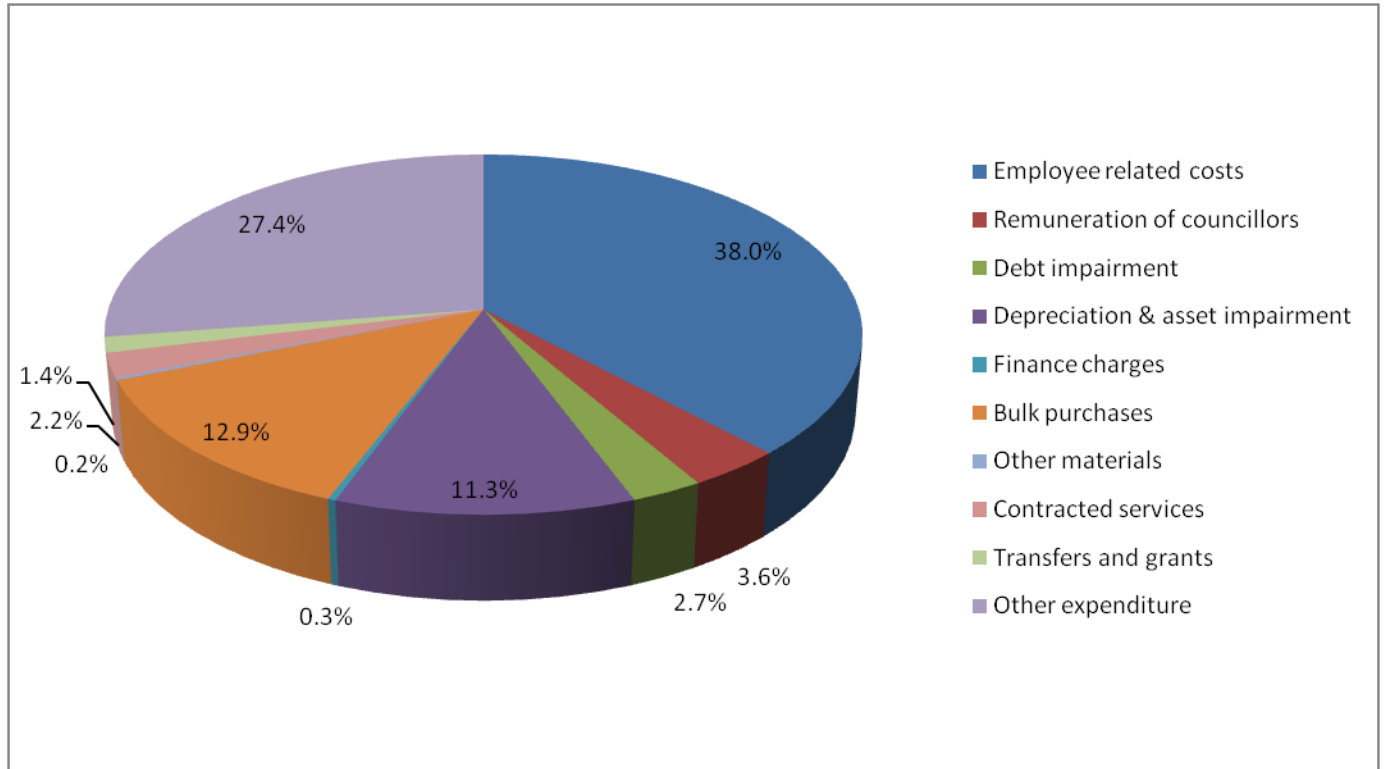
Other expenditure comprises of various line items relating to the daily operations of the municipality and amounts to R133.3 million which is 27.4 per cent of the total operating expenditure. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

#### **Percentage of operating expenditure by type against the total operating budget.**

<b>R thousand</b>	<b>Budget Year</b>	<b>%</b>
<b><u>Expenditure By Type</u></b>		
Employee related costs	184 893 536	38.0%
Remuneration of councillors	17 403 532	3.6%
Debt impairment	13 175 000	2.7%
Depreciation & asset impairment	54 719 969	11.3%
Finance charges	1 419 781	0.3%
Bulk purchases	62 920 606	12.9%
Other materials	1 084 709	0.2%
Contracted services	10 469 619	2.2%
Transfers and grants	6 797 999	1.4%
Other expenditure	133 321 131	27.4%
Loss on disposal of PPE		
<b>Total Expenditure</b>	<b>486 205 883</b>	<b>100%</b>



The following table gives a breakdown of the main expenditure categories for the 2011/12 financial year.



## 1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

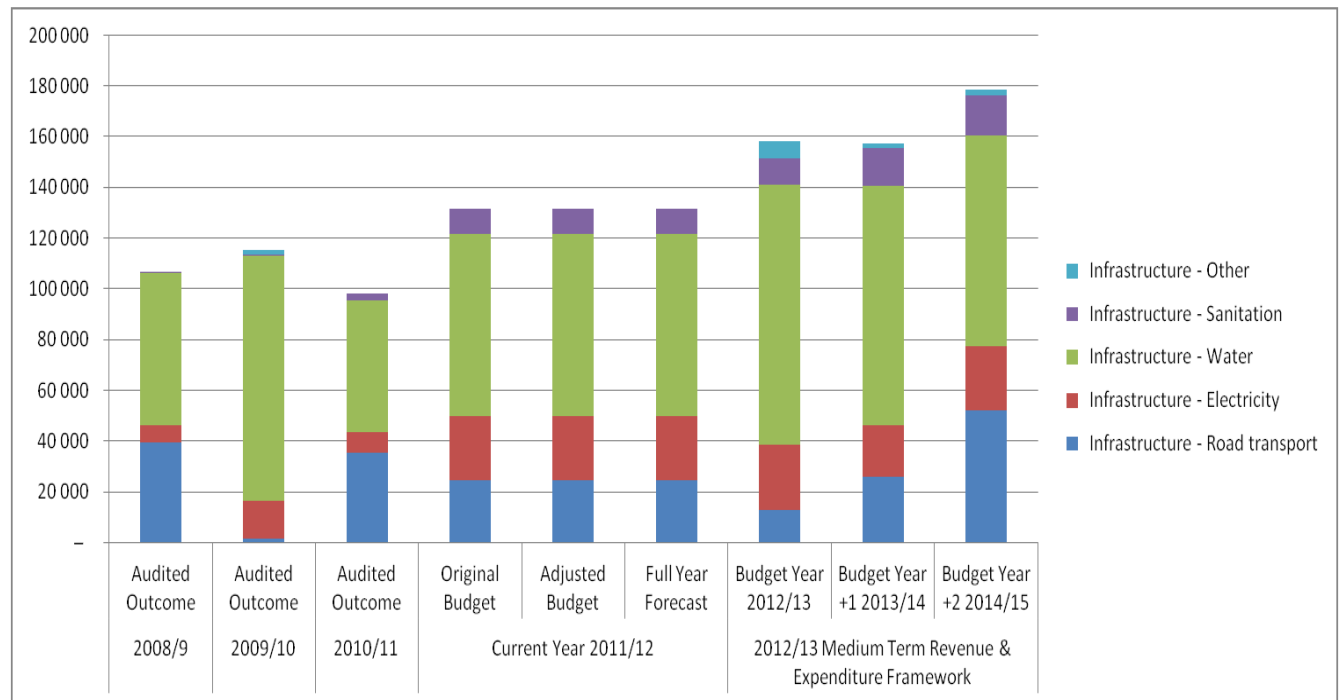
Vote Description	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework					
		%	Budget Year 2012/13	%	Budget Year +1 2013/14	%	Budget Year +2 2014/15	%
Executive and Council	704 000	0.4%	386 000	0.2%	-	0.0%	-	0.0%
Budget and Treasury	1 550 000	0.9%	241 000	0.1%	95 450	0.1%	-	0.0%
Corporate Services	2 260 000	1.3%	4 427 500	2.4%	730 000	0.4%	156 000	0.1%
Planning and Development	2 400 000	1.4%	538 000	0.3%	790 000	0.4%	-	0.0%
Community and Social Services	13 906 000	8.0%	24 513 838	13.2%	10 638 900	6.0%	10 725 000	5.5%
Infrastructure Development	153 921 819	88.1%	155 440 382	83.8%	164 803 420	93.1%	184 754 400	94.4%
<b>Total Capital Expenditure</b>	<b>174 741 819</b>	<b>100.0%</b>	<b>185 546 720</b>	<b>100.0%</b>	<b>177 057 770</b>	<b>100.0%</b>	<b>195 635 400</b>	<b>100.0%</b>

For 2012/13 an amount of R153.9 million has been appropriated for the development of infrastructure which represents 88.1 per cent of the total capital budget. In the outer years this amount totals R164.8 million, 93.1 per cent and R184.7 million, 94.4 per cent respectively for each of the financial years.

Total new assets represent 30.3 per cent or R56.3 million of the total capital budget while asset renewal equates to 69.7 per cent or R129.2 million. Further detail relating to asset classes and proposed capital expenditure is contained in Table A9 (Asset Management) on page 43. In addition to Table A9, Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class

Furthermore pages 81 to 85 contain a detail breakdown of the capital budget per project over the medium-term.

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.



## **1.1 Annual Budget Tables**

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2012/13 budget and MTREF to be approved by the Council.

Table A1 - Budget Summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	23 084	35 577	29 015	48 000	48 000	48 000	48 000	74 207	81 628	89 791
Service charges	37 810	42 802	55 345	59 619	59 619	59 619	59 619	77 027	84 730	93 203
Investment revenue	17 623	8 221	4 532	7 016	2 016	2 016	2 016	2 000	2 200	2 420
Transfers recognised - operational	168 166	174 578	217 758	245 591	249 101	249 101	249 101	274 896	284 753	306 075
Other own revenue	33 848	32 439	11 044	15 888	15 820	15 820	15 820	33 516	36 838	40 489
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>280 531</b>	<b>293 617</b>	<b>317 693</b>	<b>376 114</b>	<b>374 556</b>	<b>374 556</b>	<b>374 556</b>	<b>461 647</b>	<b>490 149</b>	<b>531 978</b>
Employee costs	101 859	128 797	162 841	171 930	173 112	173 112	173 112	184 894	195 252	205 915
Remuneration of councillors	11 998	13 262	14 107	14 637	13 307	14 092	14 092	17 404	18 523	19 523
Depreciation & asset impairment	30 271	32 583	39 583	7 438	51 907	51 907	51 907	54 720	57 784	60 905
Finance charges	3 332	2 707	3 109	1 347	1 427	1 427	1 427	1 420	1 499	1 580
Materials and bulk purchases	29 547	43 122	43 363	56 554	56 872	56 872	56 872	64 005	67 590	71 240
Transfers and grants	-	-	-	62	69	69	69	6 798	7 469	8 206
Other expenditure	85 806	176 759	140 920	125 982	150 589	151 327	151 327	156 966	164 062	170 890
<b>Total Expenditure</b>	<b>262 814</b>	<b>397 230</b>	<b>403 923</b>	<b>377 949</b>	<b>447 284</b>	<b>448 806</b>	<b>448 806</b>	<b>486 206</b>	<b>512 180</b>	<b>538 260</b>
<b>Surplus/(Deficit)</b>	<b>17 717</b>	<b>(103 614)</b>	<b>(86 230)</b>	<b>(1 836)</b>	<b>(72 728)</b>	<b>(74 250)</b>	<b>(74 250)</b>	<b>(24 559)</b>	<b>(22 031)</b>	<b>(6 282)</b>
Transfers recognised - capital	44 934	81 724	79 893	133 229	147 175	147 175	147 175	144 633	146 278	161 339
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>62 651</b>	<b>(21 890)</b>	<b>(6 337)</b>	<b>131 393</b>	<b>74 447</b>	<b>72 924</b>	<b>72 924</b>	<b>120 074</b>	<b>124 247</b>	<b>155 058</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>62 651</b>	<b>(21 890)</b>	<b>(6 337)</b>	<b>131 393</b>	<b>74 447</b>	<b>72 924</b>	<b>72 924</b>	<b>120 074</b>	<b>124 247</b>	<b>155 058</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>115 788</b>	<b>130 226</b>	<b>116 712</b>	<b>155 896</b>	<b>174 764</b>	<b>174 764</b>	<b>174 764</b>	<b>185 547</b>	<b>177 058</b>	<b>195 635</b>
Transfers recognised - capital	44 934	81 724	79 893	133 229	147 175	147 175	147 175	144 633	146 278	161 339
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	5 000	5 000	5 000	5 000	-	-	-
Internally generated funds	70 854	48 502	36 819	17 667	22 590	22 590	22 590	40 914	30 779	34 296
<b>Total sources of capital funds</b>	<b>115 788</b>	<b>130 226</b>	<b>116 712</b>	<b>155 896</b>	<b>174 764</b>	<b>174 764</b>	<b>174 764</b>	<b>185 547</b>	<b>177 058</b>	<b>195 635</b>
<b>Financial position</b>										
Total current assets	138 813	90 864	50 243	86 982	25 721	25 721	25 721	97 181	76 031	44 166
Total non current assets	686 910	743 323	1 225 681	1 024 502	981 939	981 939	981 939	1 314 825	1 462 135	1 651 310
Total current liabilities	52 774	88 365	98 443	68 620	21 781	21 781	21 781	43 887	46 299	49 050
Total non current liabilities	9 692	7 439	5 359	1 911	3 911	3 911	3 911	2 991	2 493	1 994
Community wealth/Equity	763 257	738 383	1 172 129	1 040 953	981 969	981 969	981 969	1 054 734	1 178 981	1 334 038
<b>Cash flows</b>										
Net cash from (used) operating	142 101	41 659	67 909	128 366	128 035	128 035	167 066	179 892	187 639	222 131
Net cash from (used) investing	(63 322)	(93 030)	(116 712)	(140 306)	(174 764)	(174 764)	(174 764)	(185 547)	(177 058)	(195 635)
Net cash from (used) financing	(5 567)	(2 681)	(2 456)	3 852	3 852	3 852	(1 148)	(1 148)	(1 148)	(1 148)
<b>Cash/cash equivalents at the year end</b>	<b>102 213</b>	<b>48 220</b>	<b>(3 040)</b>	<b>1 911</b>	<b>(45 918)</b>	<b>(45 918)</b>	<b>(11 888)</b>	<b>(18 691)</b>	<b>(9 258)</b>	<b>16 089</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	102 272	48 107	(3 040)	60 000	1 960	1 960	1 960	56 857	34 823	11 461
Application of cash and investments	23 549	53 459	24 353	43 473	(467)	(467)	(3 132)	(8 838)	(7 900)	2 493
<b>Balance - surplus (shortfall)</b>	<b>78 723</b>	<b>(5 352)</b>	<b>(27 393)</b>	<b>16 527</b>	<b>2 426</b>	<b>2 426</b>	<b>5 091</b>	<b>65 695</b>	<b>42 723</b>	<b>8 969</b>
<b>Asset management</b>										
Asset register summary (WDV)	678 742	735 065	1 225 681	1 127 084	1 127 084	1 127 084	1 518 829	1 518 829	1 721 852	1 969 686
Depreciation & asset impairment	30 271	32 583	39 583	7 438	51 907	51 907	54 720	54 720	57 784	60 905
Renewal of Existing Assets	47 505	69 223	49 708	69 829	69 829	69 829	69 829	129 291	117 393	139 439
Repairs and Maintenance	78 992	122 974	-	126 736	126 736	126 736	120 186	120 186	131 824	142 295
<b>Free services</b>										
Cost of Free Basic Services provided	955	1 002	1 065	11 848	11 848	11 848	2 962	2 962	3 213	3 477
Revenue cost of free services provided	2 556	23 008	15 648	38 901	38 901	38 901	15 834	15 834	16 826	18 405
<b>Households below minimum service level</b>										
Water:	20	20	20	15	15	15	11	11	8	6
Sanitation/sewerage:	14	14	14	11	11	11	9	9	8	6
Energy:	44	44	44	36	36	36	36	36	0	-
Refuse:	56	56	56	79	79	79	79	79	79	79

### **Explanatory notes to Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

**Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>									
<b>Revenue - Standard</b>									
<i>Governance and administration</i>	107 067	124 988	134 464	170 514	165 926	165 926	205 950	222 810	241 773
Executive and council	—	—	495	—	—	—	—	—	—
Budget and treasury office	105 096	123 301	130 144	168 336	163 336	163 336	203 186	219 799	238 494
Corporate services	1 971	1 687	3 826	2 177	2 590	2 590	2 764	3 011	3 279
<i>Community and public safety</i>	2 075	1 533	1 530	3 620	3 620	3 620	2 024	2 227	2 449
Community and social services	346	63	145	101	101	101	111	122	134
Sport and recreation	—	—	—	—	—	—	—	—	—
Public safety	1 729	1 470	1 385	3 519	3 519	3 519	1 913	2 104	2 315
Housing	—	—	—	—	—	—	—	—	—
Health	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>	16 083	23 748	83 238	9 716	12 746	12 746	30 378	33 231	36 496
Planning and development	1 539	3 433	75 109	882	3 911	3 911	5 131	5 460	5 948
Road transport	14 509	20 198	7 791	8 724	8 724	8 724	23 654	26 019	28 621
Environmental protection	34	117	338	110	110	110	1 593	1 752	1 927
<i>Trading services</i>	200 240	225 072	178 223	192 264	192 338	192 338	223 295	231 881	251 259
Electricity	49 805	71 510	71 318	72 081	72 081	72 081	89 646	97 479	106 148
Water	134 938	135 949	86 322	94 669	94 743	94 743	104 088	103 990	112 232
Waste water management	2 771	2 270	4 045	2 708	2 708	2 708	2 978	3 276	3 604
Waste management	12 726	15 343	16 538	22 806	22 806	22 806	26 583	27 136	29 274
<i>Other</i>	—	—	—	—	—	—	—	—	—
<b>Total Revenue - Standard</b>	<b>325 465</b>	<b>375 341</b>	<b>397 456</b>	<b>376 114</b>	<b>374 630</b>	<b>374 630</b>	<b>461 647</b>	<b>490 149</b>	<b>531 978</b>
<b>Expenditure - Standard</b>									
<i>Governance and administration</i>	71 732	94 201	115 852	95 429	157 592	157 592	172 604	182 604	193 267
Executive and council	19 881	22 989	23 949	25 004	23 657	23 657	27 843	29 547	31 143
Budget and treasury office	23 371	44 688	52 739	37 951	99 366	99 366	112 207	118 796	125 897
Corporate services	28 480	26 523	39 164	32 474	34 569	34 569	32 554	34 261	36 227
<i>Community and public safety</i>	13 651	20 157	22 232	20 418	21 398	21 398	24 387	25 686	27 027
Community and social services	2 853	3 255	4 797	4 980	4 882	4 882	4 619	4 878	5 141
Sport and recreation	—	1 883	362	541	211	211	111	118	124
Public safety	10 798	15 019	17 073	14 898	16 305	16 305	19 657	20 690	21 761
Housing	—	—	—	—	—	—	—	—	—
Health	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>	41 694	51 458	72 065	75 237	78 584	78 584	94 109	99 569	99 259
Planning and development	21 504	27 554	31 807	34 720	36 319	36 319	43 769	46 387	43 178
Road transport	17 358	19 391	35 630	35 835	37 767	37 767	45 151	47 703	50 307
Environmental protection	2 832	4 513	4 628	4 682	4 498	4 498	5 188	5 479	5 775
<i>Trading services</i>	135 736	231 415	193 644	186 174	188 247	188 247	195 106	204 321	218 706
Electricity	35 336	51 811	60 543	69 117	67 750	67 750	76 115	80 032	84 353
Water	86 990	157 828	98 149	81 861	84 904	84 904	85 122	90 391	98 732
Waste water management	1 622	2 916	11 303	3 503	2 650	2 650	2 162	2 286	2 409
Waste management	11 787	18 860	23 649	31 693	32 942	32 942	31 708	31 613	33 212
<i>Other</i>	—	—	—	—	—	—	—	—	—
<b>Total Expenditure - Standard</b>	<b>262 814</b>	<b>397 230</b>	<b>403 793</b>	<b>377 258</b>	<b>445 821</b>	<b>445 821</b>	<b>486 206</b>	<b>512 180</b>	<b>538 260</b>
<b>Surplus/(Deficit) for the year</b>	<b>62 651</b>	<b>(21 890)</b>	<b>(6 337)</b>	<b>(1 145)</b>	<b>(71 191)</b>	<b>(71 191)</b>	<b>(24 559)</b>	<b>(22 031)</b>	<b>(6 282)</b>

**Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table excludes capital revenues (Transfers recognised – capital) and so it balances to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water functions, but not the Waste management function. The municipality is in a process of implementing the recently approved revenue enhancement strategy.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Corporate Services.



**Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b><u>Revenue by Vote</u></b>									
Vote1 - EXECUTIVE & COUNCIL	–	–	495	–	–	–	–	–	–
Vote 2 - BUDGET & TREASURY OFFICE	105 096	123 301	130 144	168 336	163 336	163 336	203 186	219 799	238 494
Vote 3 - CORPORATE SERVICES	1 971	1 687	3 826	2 177	2 590	2 590	2 764	3 011	3 279
Vote 4 - PLANNING & DEVELOPMENT	342	304	556	882	882	882	1 048	1 152	1 268
Vote 5 - COMMUNITY & SOCIAL SERVICES	22 746	24 473	25 524	35 217	35 217	35 217	53 806	57 080	62 213
Vote 6 - INFRASTRUCTURE & DEVELOPMENT	195 310	225 577	236 912	169 501	172 605	172 605	200 843	209 105	226 723
<b>Total Revenue by Vote</b>	<b>325 465</b>	<b>375 341</b>	<b>397 456</b>	<b>376 114</b>	<b>374 630</b>	<b>374 630</b>	<b>461 647</b>	<b>490 149</b>	<b>531 978</b>
<b><u>Expenditure by Vote to be appropriated</u></b>									
Vote1 - EXECUTIVE & COUNCIL	19 881	22 989	23 949	25 004	23 657	23 657	27 843	29 547	31 143
Vote 2 - BUDGET & TREASURY OFFICE	23 371	44 688	52 739	37 951	99 366	99 366	112 207	118 796	125 897
Vote 3 - CORPORATE SERVICES	28 480	26 523	39 164	32 474	34 569	34 569	32 554	34 261	36 227
Vote 4 - PLANNING & DEVELOPMENT	3 250	4 041	3 527	14 548	16 548	16 548	17 578	19 037	14 349
Vote 5 - COMMUNITY & SOCIAL SERVICES	46 644	66 113	72 917	78 859	80 389	80 389	98 250	101 530	106 885
Vote 6 - INFRASTRUCTURE & DEVELOPMENT	141 187	232 876	211 497	188 423	191 292	191 292	197 774	209 009	223 759
<b>Total Expenditure by Vote</b>	<b>262 814</b>	<b>397 230</b>	<b>403 793</b>	<b>377 258</b>	<b>445 821</b>	<b>445 821</b>	<b>486 206</b>	<b>512 180</b>	<b>538 260</b>
<b>Surplus/(Deficit) for the year</b>	<b>62 651</b>	<b>(21 890)</b>	<b>(6 337)</b>	<b>(1 145)</b>	<b>(71 191)</b>	<b>(71 191)</b>	<b>(24 559)</b>	<b>(22 031)</b>	<b>(6 282)</b>

**Explanatory notes to Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

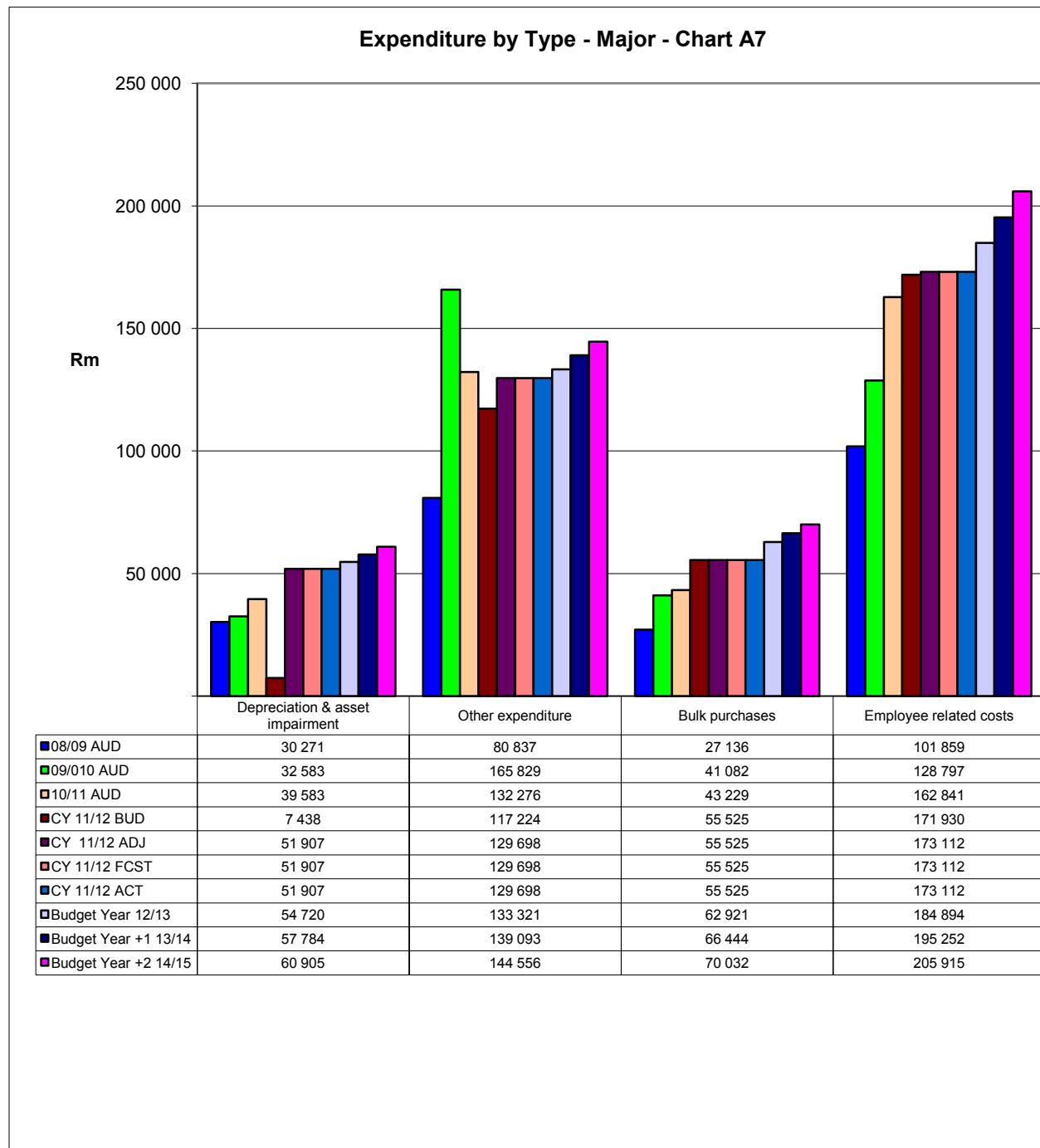
**Table A4 - Budgeted Financial Performance (revenue and expenditure)**

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>										
<b>Revenue By Source</b>										
Property rates	23 084	35 577	29 015	48 000	48 000	48 000	48 000	74 207	81 628	89 791
Property rates - penalties & collection charges										
Service charges - electricity revenue	24 202	28 071	32 895	36 896	36 896	36 896	36 896	50 689	55 758	61 334
Service charges - water revenue	7 693	9 119	17 553	15 314	15 314	15 314	15 314	18 665	20 531	22 584
Service charges - sanitation revenue	2 771	2 270	3 948	2 708	2 708	2 708	2 708	2 978	3 276	3 604
Service charges - refuse revenue	3 144	3 343	948	4 041	4 041	4 041	4 041	4 445	4 890	5 379
Service charges - other	1	—	—	660	660	660	660	250	275	303
Rental of facilities and equipment	848	541	3 420	1 508	1 508	1 508	1 508	2 093	2 302	2 532
Interest earned - external investments	17 623	8 221	4 532	7 016	2 016	2 016	2 016	2 000	2 200	2 420
Interest earned - outstanding debtors	1 253	1 165	—	6	6	6	6	1 500	1 650	1 815
Dividends received										
Fines	613	373	553	1 506	1 506	1 506	1 506	1 650	1 815	1 997
Licences and permits	20	20	—	42	42	42	42	47	51	57
Agency services	7 911	7 480	7 071	8 681	8 681	8 681	8 681	23 605	25 966	28 562
Transfers recognised - operational	168 166	174 578	217 758	245 591	249 101	249 101	249 101	274 896	284 753	306 075
Other revenue	22 618	22 860	—	4 145	4 078	4 078	4 078	4 621	5 054	5 527
Gains on disposal of PPE	586	—								
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>280 531</b>	<b>293 617</b>	<b>317 693</b>	<b>376 114</b>	<b>374 556</b>	<b>374 556</b>	<b>374 556</b>	<b>461 647</b>	<b>490 149</b>	<b>531 978</b>
<b>Expenditure By Type</b>										
Employee related costs	101 859	128 797	162 841	171 930	173 112	173 112	173 112	184 894	195 252	205 915
Remuneration of councillors	11 998	13 262	14 107	14 637	13 307	14 092	14 092	17 404	18 523	19 523
Debt impairment	1 620	5 445	1 542	1 200	12 500	13 238	13 238	13 175	13 913	14 664
Depreciation & asset impairment	30 271	32 583	39 583	7 438	51 907	51 907	51 907	54 720	57 784	60 905
Finance charges	3 332	2 707	3 109	1 347	1 427	1 427	1 427	1 420	1 499	1 580
Bulk purchases	27 136	41 082	43 229	55 525	55 525	55 525	55 525	62 921	66 444	70 032
Other materials	2 410	2 040	134	1 029	1 347	1 347	1 347	1 085	1 146	1 208
Contracted services	3 349	5 486	7 102	7 557	8 391	8 391	8 391	10 470	11 056	11 670
Transfers and grants	—	—	—	62	69	69	69	6 798	7 469	8 206
Other expenditure	80 837	165 829	132 276	117 224	129 698	129 698	129 698	133 321	139 093	144 556
Loss on disposal of PPE										
<b>Total Expenditure</b>	<b>262 814</b>	<b>397 230</b>	<b>403 923</b>	<b>377 949</b>	<b>447 284</b>	<b>448 806</b>	<b>448 806</b>	<b>486 206</b>	<b>512 180</b>	<b>538 260</b>
<b>Surplus/(Deficit)</b>	<b>17 717</b>	<b>(103 614)</b>	<b>(86 230)</b>	<b>(1 836)</b>	<b>(72 728)</b>	<b>(74 250)</b>	<b>(74 250)</b>	<b>(24 559)</b>	<b>(22 031)</b>	<b>(6 282)</b>
Transfers recognised - capital	44 934	81 724	79 893	133 229	147 175	147 175	147 175	144 633	146 278	161 339
Contributions recognised - capital	—	—	—	—	—	—	—	—	—	—
Contributed assets										
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>62 651</b>	<b>(21 890)</b>	<b>(6 337)</b>	<b>131 393</b>	<b>74 447</b>	<b>72 924</b>	<b>72 924</b>	<b>120 074</b>	<b>124 247</b>	<b>155 058</b>
Taxation										
<b>Surplus/(Deficit) after taxation</b>	<b>62 651</b>	<b>(21 890)</b>	<b>(6 337)</b>	<b>131 393</b>	<b>74 447</b>	<b>72 924</b>	<b>72 924</b>	<b>120 074</b>	<b>124 247</b>	<b>155 058</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>	<b>62 651</b>	<b>(21 890)</b>	<b>(6 337)</b>	<b>131 393</b>	<b>74 447</b>	<b>72 924</b>	<b>72 924</b>	<b>120 074</b>	<b>124 247</b>	<b>155 058</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/(Deficit) for the year</b>	<b>62 651</b>	<b>(21 890)</b>	<b>(6 337)</b>	<b>131 393</b>	<b>74 447</b>	<b>72 924</b>	<b>72 924</b>	<b>120 074</b>	<b>124 247</b>	<b>155 058</b>

#### **Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**

1. Total revenue is R461.6 million in 2012/13 and escalates to R531.9 million by 2014/15. This represents a year-on-year increase of 6.1 per cent for the 2013/14 financial year and 8.5 per cent for the 2014/15 financial year.
2. Revenue to be generated from property rates is R74.2 million in the 2012/13 financial year and increases to R89.7 million by 2014/15 which represents 16 per cent of the operating revenue base of the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 10 per cent, 10 per cent and 10 per cent for each of the respective financial years of the MTREF.
3. Services charges relating to electricity, water, sanitation and refuse removal totals to R77.0 million for the 2012/13 financial year and increasing to R92.3 million by 2014/15. For the 2012/13 financial year services charges amount to 15.8 per cent of the total revenue base and grows by 10 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity and water.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. Grants remain a significant funding source for the municipality as it constitute 59.5 per cent of the operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF by 3.5 per cent and 7.5 per cent for the two outer years

5. The following graph illustrates the major expenditure items per type.



6. Bulk purchases have significantly increased over the 2008/09 to 2014/15 period escalating from R27 million to R70 million. These increases can be attributed to the substantial increase in the cost of bulk electricity of 13.5 percent from Eskom, coming into effect from 01 July 2012.

**Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>										
<b>Capital expenditure - Vote</b>										
<b>Multi-year expenditure to be appropriated</b>										
Vote 1 - EXECUTIVE & COUNCIL	-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET & TREASURY OFFICE	-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES	-	-	-	600	600	600	600	600	-	-
Vote 4 - PLANNING & DEVELOPMENT	-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY & SOCIAL SERVICES	-	-	-	1 638	1 638	1 638	1 638	5 961	2 000	2 000
Vote 6 - INFRASTRUCTURE & DEVELOPMENT	-	-	57 134	64 695	64 695	64 695	64 695	102 089	70 719	75 289
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	-	-	57 134	66 933	66 933	66 933	66 933	108 650	72 719	77 289
<b>Single-year expenditure to be appropriated</b>										
Vote 1 - EXECUTIVE & COUNCIL	165	114	362	704	704	704	704	386	-	-
Vote 2 - BUDGET & TREASURY OFFICE	708	12 712	236	1 550	1 550	1 550	1 550	241	95	-
Vote 3 - CORPORATE SERVICES	6 412	264	1 081	1 660	1 660	1 660	1 660	3 828	730	156
Vote 4 - PLANNING & DEVELOPMENT	-	-	1 485	2 400	2 400	2 400	2 400	538	790	-
Vote 5 - COMMUNITY & SOCIAL SERVICES	2 120	7 882	4 374	12 268	12 268	12 268	12 268	18 552	8 639	8 725
Vote 6 - INFRASTRUCTURE & DEVELOPMENT	106 382	109 254	52 040	70 381	89 227	89 227	89 227	53 352	94 085	109 465
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	115 788	130 226	59 578	88 963	107 809	107 809	107 809	76 897	104 339	118 346
<b>Total Capital Expenditure - Vote</b>	115 788	130 226	116 712	155 896	174 742	174 742	174 742	185 547	177 058	195 635
<b>Capital Expenditure - Standard</b>										
<b>Governance and administration</b>	7 285	13 090	1 679	4 514	4 537	4 537	4 537	5 055	825	156
Executive and council	165	114	362	704	704	704	704	386	-	-
Budget and treasury office	708	12 712	236	1 550	1 550	1 550	1 550	241	95	-
Corporate services	6 412	264	1 081	2 260	2 260	2 260	2 260	4 428	730	156
<b>Community and public safety</b>	418	2 106	892	1 038	1 038	1 038	1 038	1 668	1 570	2 300
Community and social services	21	1 951	840	28	28	28	28	663	270	-
Sport and recreation	-	-	27	-	-	-	-	-	-	-
Public safety	397	155	24	1 010	1 010	1 010	1 010	1 005	1 300	2 300
Housing	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	41 149	20 075	41 797	36 344	39 414	39 414	39 414	26 756	38 262	57 950
Planning and development	1 671	1 008	5 216	11 348	8 318	8 318	8 318	11 541	6 249	370
Road transport	39 478	18 011	35 719	24 996	31 096	31 096	31 096	14 354	31 268	57 580
Environmental protection	-	1 055	863	-	-	-	-	860	745	-
<b>Trading services</b>	66 935	94 955	72 345	114 000	129 776	129 776	129 776	152 069	136 401	135 230
Electricity	6 476	15 270	7 850	25 583	24 383	24 383	24 383	26 830	21 935	26 085
Water	60 113	79 316	59 676	71 513	88 489	88 489	88 489	105 042	96 666	85 145
Waste water management	213	369	2 375	10 000	10 000	10 000	10 000	10 000	15 000	16 000
Waste management	133	-	2 444	6 904	6 904	6 904	6 904	10 197	2 800	8 000
<b>Other</b>	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	115 788	130 226	116 712	155 896	174 764	174 764	174 764	185 547	177 058	195 635
<b>Funded by:</b>										
National Government	44 934	81 724	79 893	131 591	145 537	145 537	145 537	144 633	146 278	161 339
Provincial Government	-	-	-	1 638	1 638	1 638	1 638	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	44 934	81 724	79 893	133 229	147 175	147 175	147 175	144 633	146 278	161 339
<b>Public contributions &amp; donations</b>	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	-	-	-	5 000	5 000	5 000	5 000	-	-	-
<b>Internally generated funds</b>	70 854	48 502	36 819	17 667	22 590	22 590	22 590	40 914	30 779	34 296
<b>Total Capital Funding</b>	115 788	130 226	116 712	155 896	174 764	174 764	174 764	185 547	177 058	195 635

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2012/13 R108.6 million has been allocated of the total R185.5 million capital budget, which totals 58.5 per cent. This allocation flattens to R72.7 million in 2013/14 and R77.2 million in 2014/15 owing primarily to the fact that various projects reach completion.
3. Single-year capital expenditure has been appropriated at R76.8 million for the 2012/13 financial year and escalates over the MTREF at levels of R104.3 million and R118.3 million respectively for the two outer years.

**Table A6 - Budgeted Financial Position**

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>										
<b>ASSETS</b>										
<b>Current assets</b>										
Cash	16 106	13 107	4 946	10 000	(3 040)	(3 040)	(3 040)	51 857	29 823	6 461
Call investment deposits	86 166	35 000	5 000	50 000	5 000	5 000	5 000	5 000	5 000	5 000
Consumer debtors	18 039	23 731	29 869	25 439	22 218	22 218	22 218	35 211	36 276	27 343
Other debtors	18 328	18 744	9 805	1 228	1 228	1 228	1 228	4 452	4 257	4 633
Current portion of long-term receivables	—	—	—	—	—	—	—	—	—	—
Inventory	175	282	623	316	316	316	316	660	675	729
<b>Total current assets</b>	<b>138 813</b>	<b>90 864</b>	<b>50 243</b>	<b>86 982</b>	<b>25 721</b>	<b>25 721</b>	<b>25 721</b>	<b>97 181</b>	<b>76 031</b>	<b>44 166</b>
<b>Non current assets</b>										
Long-term receivables	—	—	—	—	—	—	—	—	—	—
Investments	—	—	—	—	—	—	—	—	—	—
Investment property	8 168	8 168	37 937	8 168	8 168	8 168	8 168	37 937	37 937	37 937
Investment in Associate	—	—	—	—	—	—	—	—	—	—
Property, plant and equipment	678 742	734 582	1 187 592	1 014 434	971 871	971 871	971 871	1 276 822	1 424 194	1 613 372
Agricultural	—	—	—	—	—	—	—	—	—	—
Biological	—	—	—	—	—	—	—	—	—	—
Intangible	—	574	152	1 900	1 900	1 900	1 900	66	3	2
Other non-current assets	—	—	—	—	—	—	—	—	—	—
<b>Total non current assets</b>	<b>686 910</b>	<b>743 323</b>	<b>1 225 681</b>	<b>1 024 502</b>	<b>981 939</b>	<b>981 939</b>	<b>981 939</b>	<b>1 314 825</b>	<b>1 462 135</b>	<b>1 651 310</b>
<b>TOTAL ASSETS</b>	<b>825 724</b>	<b>834 187</b>	<b>1 275 924</b>	<b>1 111 484</b>	<b>1 007 660</b>	<b>1 007 660</b>	<b>1 007 660</b>	<b>1 412 006</b>	<b>1 538 166</b>	<b>1 695 477</b>
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Bank overdraft	—	—	12 986	—	—	—	—	—	—	—
Borrowing	2 253	2 524	2 617	1 148	1 148	1 148	1 148	499	499	499
Consumer deposits	—	—	—	—	—	—	—	—	—	—
Trade and other payables	50 168	85 273	60 257	66 836	20 632	20 632	20 632	30 504	32 304	34 210
Provisions	353	567	22 582	635	—	—	—	12 885	13 497	14 342
<b>Total current liabilities</b>	<b>52 774</b>	<b>88 365</b>	<b>98 443</b>	<b>68 620</b>	<b>21 781</b>	<b>21 781</b>	<b>21 781</b>	<b>43 887</b>	<b>46 299</b>	<b>49 050</b>
<b>Non current liabilities</b>										
Borrowing	9 692	7 439	5 359	1 911	1 911	1 911	1 911	2 991	2 493	1 994
Provisions	—	—	—	—	2 000	2 000	2 000	—	—	—
<b>Total non current liabilities</b>	<b>9 692</b>	<b>7 439</b>	<b>5 359</b>	<b>1 911</b>	<b>3 911</b>	<b>3 911</b>	<b>3 911</b>	<b>2 991</b>	<b>2 493</b>	<b>1 994</b>
<b>TOTAL LIABILITIES</b>	<b>62 466</b>	<b>95 804</b>	<b>103 801</b>	<b>70 530</b>	<b>25 691</b>	<b>25 691</b>	<b>25 691</b>	<b>46 878</b>	<b>48 792</b>	<b>51 044</b>
<b>NET ASSETS</b>	<b>763 257</b>	<b>738 383</b>	<b>1 172 123</b>	<b>1 040 953</b>	<b>981 969</b>	<b>981 969</b>	<b>981 969</b>	<b>1 365 128</b>	<b>1 489 374</b>	<b>1 644 432</b>
<b>COMMUNITY WEALTH/EQUITY</b>										
Accumulated Surplus/(Deficit)	763 257	738 383	1 172 129	1 040 953	981 969	981 969	981 969	1 054 734	1 178 981	1 334 038
Reserves	—	—	—	—	—	—	—	—	—	—
Minorities' interests	—	—	—	—	—	—	—	—	—	—
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>763 257</b>	<b>738 383</b>	<b>1 172 129</b>	<b>1 040 953</b>	<b>981 969</b>	<b>981 969</b>	<b>981 969</b>	<b>1 054 734</b>	<b>1 178 981</b>	<b>1 334 038</b>

### **Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes (SA3 which can be found on page 90) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non current;
  - Changes in net assets; and
  - Reserves
  -
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.



**Table A7 - Budgeted Cash Flow Statement**

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Ratepayers and other	69 833	84 486	86 338	111 151	111 083	111 083	125 114	183 251	201 546	221 668
Government - operating	215 561	184 805	217 758	245 591	249 175	249 175	249 175	274 896	284 753	306 075
Government - capital	50 255	98 254	74 507	133 229	147 175	147 175	147 175	144 633	146 278	161 339
Interest	17 623	8 957	4 532	7 016	2 016	2 016	2 016	2 000	2 200	2 420
Dividends	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees	(207 839)	(333 856)	(312 645)	(367 211)	(379 997)	(379 997)	(354 997)	(423 268)	(445 428)	(467 568)
Finance charges	(3 332)	(987)	(2 580)	(1 347)	(1 347)	(1 347)	(1 347)	(1 420)	(1 499)	(1 580)
Transfers and Grants	-	-	-	(62)	(69)	(69)	(69)	(200)	(211)	(223)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>142 101</b>	<b>41 659</b>	<b>67 909</b>	<b>128 366</b>	<b>128 035</b>	<b>128 035</b>	<b>167 066</b>	<b>179 892</b>	<b>187 639</b>	<b>222 131</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE	586	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets	(63 908)	(93 030)	(116 712)	(140 306)	(174 764)	(174 764)	(174 764)	(185 547)	(177 058)	(195 635)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(63 322)</b>	<b>(93 030)</b>	<b>(116 712)</b>	<b>(140 306)</b>	<b>(174 764)</b>	<b>(174 764)</b>	<b>(174 764)</b>	<b>(185 547)</b>	<b>(177 058)</b>	<b>(195 635)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	5 000	5 000	5 000	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing	(5 567)	(2 681)	(2 456)	(1 148)	(1 148)	(1 148)	(1 148)	(1 148)	(1 148)	(1 148)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(5 567)</b>	<b>(2 681)</b>	<b>(2 456)</b>	<b>3 852</b>	<b>3 852</b>	<b>3 852</b>	<b>(1 148)</b>	<b>(1 148)</b>	<b>(1 148)</b>	<b>(1 148)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>73 212</b>	<b>(54 052)</b>	<b>(51 260)</b>	<b>(8 089)</b>	<b>(42 878)</b>	<b>(42 878)</b>	<b>(8 847)</b>	<b>(6 803)</b>	<b>9 433</b>	<b>25 347</b>
Cash/cash equivalents at the year begin:	29 061	102 273	48 220	10 000	(3 040)	(3 040)	(3 040)	(11 888)	(18 691)	(9 258)
Cash/cash equivalents at the year end:	102 273	48 220	(3 040)	1 911	(45 918)	(45 918)	(11 888)	(18 691)	(9 258)	16 089

1. The budgeted cash flow statement shows the expected level of cash in-flow versus cash out-flows that is likely to result from the implementation of the budget.
2. It can be seen that the is currently operating at a deficit , this unsustainable cash position had to be addressed as a matter of urgency and various interventions needs to implemented such as the reduction of expenditure allocations and implementation of the revenue enhancement strategy.

**Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>										
<b><u>Cash and investments available</u></b>										
Cash/cash equivalents at the year end	102 273	48 220	(3 040)	1 911	(45 918)	(45 918)	(11 888)	(18 691)	(9 258)	16 089
Other current investments > 90 days	(1)	(113)	(1)	58 089	47 878	47 878	13 847	75 548	44 081	(4 628)
Non current assets - Investments	–	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>	<b>102 272</b>	<b>48 107</b>	<b>(3 040)</b>	<b>60 000</b>	<b>1 960</b>	<b>1 960</b>	<b>1 960</b>	<b>56 857</b>	<b>34 823</b>	<b>11 461</b>
<b><u>Application of cash and investments</u></b>										
Unspent conditional transfers	19 938	25 564	16 975	–	–	–	–	–	–	–
Unspent borrowing	–	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3 258	27 327	7 377	42 838	(467)	(467)	(3 132)	(8 838)	(7 900)	2 493
Other provisions	353	567	–	635	–	–	–	–	–	–
Long term investments committed	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	–	–	–	–	–	–	–	–	–	–
<b>Total Application of cash and investments:</b>	<b>23 549</b>	<b>53 459</b>	<b>24 353</b>	<b>43 473</b>	<b>(467)</b>	<b>(467)</b>	<b>(3 132)</b>	<b>(8 838)</b>	<b>(7 900)</b>	<b>2 493</b>
<b>Surplus(shortfall)</b>	<b>78 723</b>	<b>(5 352)</b>	<b>(27 393)</b>	<b>16 527</b>	<b>2 426</b>	<b>2 426</b>	<b>5 091</b>	<b>65 695</b>	<b>42 723</b>	<b>8 969</b>

**Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

**Table A9 - Asset Management**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>									
<b>CAPITAL EXPENDITURE</b>									
<b><u>Total New Assets</u></b>	<b>68 283</b>	<b>61 003</b>	<b>67 005</b>	<b>86 067</b>	<b>86 067</b>	<b>86 067</b>	<b>56 256</b>	<b>59 664</b>	<b>56 196</b>
Infrastructure - Road transport	39 532	—	18 484	23 790	23 790	23 790	—	13 500	—
Infrastructure - Electricity	6 045	14 792	7 850	19 383	19 383	19 383	14 600	9 000	12 000
Infrastructure - Water	13 505	32 342	23 259	13 410	13 410	13 410	14 042	6 605	10 000
Infrastructure - Sanitation	—	—	2 375	10 000	10 000	10 000	10 000	15 000	16 000
Infrastructure - Other	—	—	—	—	—	—	1 200	1 000	1 000
Infrastructure	59 083	47 134	51 967	66 583	66 583	66 583	39 842	45 105	39 000
Community	245	131	—	5 048	5 048	5 048	—	—	156
Heritage assets	—	—	—	—	—	—	—	—	—
Investment properties	—	—	—	—	—	—	—	—	—
Other assets	8 955	13 738	15 038	12 537	12 537	12 537	16 414	14 559	17 040
Agricultural Assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Intangibles	—	—	—	1 900	1 900	1 900	—	—	—
<b><u>Total Renewal of Existing Assets</u></b>	<b>47 505</b>	<b>69 223</b>	<b>49 708</b>	<b>69 829</b>	<b>69 829</b>	<b>69 829</b>	<b>129 291</b>	<b>117 393</b>	<b>139 439</b>
Infrastructure - Road transport	—	1 550	17 059	600	600	600	12 988	12 528	52 200
Infrastructure - Electricity	439	—	—	6 200	6 200	6 200	11 000	11 300	13 000
Infrastructure - Water	46 597	64 128	28 991	58 079	58 079	58 079	88 601	87 446	73 140
Infrastructure - Sanitation	213	556	—	—	—	—	—	—	—
Infrastructure - Other	—	1 970	—	—	—	—	5 868	1 000	1 000
Infrastructure	47 249	68 203	46 050	64 879	64 879	64 879	118 456	112 273	139 339
Community	—	211	3 658	4 200	4 200	4 200	10 234	5 000	—
Heritage assets	—	—	—	—	—	—	—	—	—
Investment properties	—	—	—	—	—	—	—	—	—
Other assets	256	808	—	750	750	750	600	120	100
Agricultural Assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Intangibles	—	—	—	—	—	—	—	—	—
<b><u>Total Capital Expenditure</u></b>									
Infrastructure - Road transport	39 532	1 550	35 543	24 390	24 390	24 390	12 988	26 028	52 200
Infrastructure - Electricity	6 484	14 792	7 850	25 583	25 583	25 583	25 600	20 300	25 000
Infrastructure - Water	60 102	96 469	52 250	71 488	71 488	71 488	102 642	94 051	83 140
Infrastructure - Sanitation	213	556	2 375	10 000	10 000	10 000	10 000	15 000	16 000
Infrastructure - Other	—	1 970	—	—	—	—	7 068	2 000	2 000
Infrastructure	106 332	115 337	98 017	131 461	131 461	131 461	158 298	157 378	178 339
Community	245	342	3 658	9 248	9 248	9 248	10 234	5 000	156
Heritage assets	—	—	—	—	—	—	—	—	—
Investment properties	—	—	—	—	—	—	—	—	—
Other assets	9 211	14 546	15 038	13 287	13 287	13 287	17 014	14 679	17 140
Agricultural Assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Intangibles	—	—	—	1 900	1 900	1 900	—	—	—
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>115 788</b>	<b>130 226</b>	<b>116 712</b>	<b>155 896</b>	<b>155 896</b>	<b>155 896</b>	<b>185 547</b>	<b>177 058</b>	<b>195 635</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
Infrastructure - Road transport	118 237	114 286	133 961	187 606	187 606	187 606	170 774	196 802	249 002
Infrastructure - Electricity	51 830	56 545	56 248	98 385	98 385	98 385	89 110	109 410	134 410
Infrastructure - Water	344 389	386 528	418 613	496 077	496 077	496 077	566 363	660 413	743 553
Infrastructure - Sanitation	4 150	5 552	8 617	99 791	99 791	99 791	18 750	33 750	49 750
Infrastructure - Other	—	11 095	4 800	11 545	11 545	11 545	24 855	52 883	107 083
Infrastructure	518 606	574 007	622 240	893 404	893 404	893 404	869 852	1 053 259	1 283 798
Community	75 369	79 029	519 178	94 552	94 552	94 552	533 055	538 055	538 211
Heritage assets	17 720	17 720	5 614	17 720	17 720	17 720	17 720	17 720	17 720
Investment properties	8 168	8 168	37 937	8 168	8 168	8 168	37 937	37 937	37 937
Other assets	58 880	55 568	40 560	111 341	111 341	111 341	60 199	74 879	92 019
Agricultural Assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Intangibles	—	574	152	1 900	1 900	1 900	66	3	2
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>678 742</b>	<b>735 065</b>	<b>1 225 681</b>	<b>1 127 084</b>	<b>1 127 084</b>	<b>1 127 084</b>	<b>1 518 829</b>	<b>1 721 852</b>	<b>1 969 686</b>
<b>EXPENDITURE OTHER ITEMS</b>									
<b><u>Depreciation &amp; asset impairment</u></b>	<b>30 271</b>	<b>32 583</b>	<b>39 583</b>	<b>7 438</b>	<b>51 907</b>	<b>51 907</b>	<b>54 720</b>	<b>57 784</b>	<b>60 905</b>
<b><u>Repairs and Maintenance by Asset Class</u></b>	<b>78 992</b>	<b>122 974</b>	<b>—</b>	<b>126 736</b>	<b>126 736</b>	<b>126 736</b>	<b>120 186</b>	<b>131 824</b>	<b>142 295</b>
Infrastructure - Road transport	9 174	14 420	—	20 041	20 041	20 041	19 131	20 203	21 293
Infrastructure - Electricity	3 521	5 000	—	7 433	7 433	7 433	9 495	10 027	10 569
Infrastructure - Water	48 643	76 692	—	70 716	70 716	70 716	60 861	69 285	76 487
Infrastructure - Sanitation	1 200	1 860	—	2 351	2 351	2 351	1 736	1 835	1 935
Infrastructure - Other	9 204	13 396	—	19 560	19 560	19 560	22 283	23 419	24 576
Infrastructure	71 741	111 368	—	120 101	120 101	120 101	113 507	124 770	134 859
Community	36	13	—	40	40	40	43	45	48
Heritage assets	—	—	—	—	—	—	—	—	—
Investment properties	—	—	—	—	—	—	—	—	—
Other assets	7 215	11 592	—	6 594	6 594	6 594	6 637	7 009	7 388
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>109 263</b>	<b>155 557</b>	<b>39 583</b>	<b>134 174</b>	<b>178 643</b>	<b>178 643</b>	<b>174 906</b>	<b>189 608</b>	<b>203 199</b>

### **Explanatory notes to Table A9 - Asset Management**

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The municipality meets both these recommendations.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the municipality's strategy to address the maintenance backlog.

## A10 - Basic Service Delivery Measurement

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b><u>Household service targets</u></b>									
<b><u>Water:</u></b>									
Piped water inside dwelling	8 745	8 745	8 745	14 118	14 118	14 118	14 664	15 074	15 381
Piped water inside yard (but not in dwelling)	26 059	26 059	26 059	42 068	42 068	42 068	43 697	44 918	45 835
Using public tap (at least min.service level)	18 429	18 429	18 429	29 751	29 751	29 751	30 903	31 767	32 415
Other water supply (at least min.service level)	5 458	5 458	5 458	8 812	8 812	8 812	9 153	9 409	9 600
<i>Minimum Service Level and Above sub-total</i>	58 691	58 691	58 691	94 748	94 748	94 748	98 417	101 168	103 231
Using public tap (< min.service level)	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	—	—	—	—	—	—	—	—	—
No water supply	19 564	19 564	19 564	14 673	14 673	14 673	11 004	8 253	6 190
<i>Below Minimum Service Level sub-total</i>	19 564	19 564	19 564	14 673	14 673	14 673	11 004	8 253	6 190
<b>Total number of households</b>	<b>78 254</b>	<b>78 254</b>	<b>78 254</b>	<b>109 421</b>	<b>109 421</b>	<b>109 421</b>	<b>109 421</b>	<b>109 421</b>	<b>109 421</b>
<b><u>Sanitation/sewerage:</u></b>									
Flush toilet (connected to sewerage)	4 382	4 382	4 382	6 583	6 583	6 583	6 692	6 782	6 856
Flush toilet (with septic tank)	1 487	1 487	1 487	2 234	2 234	2 234	2 270	2 301	2 326
Chemical toilet	29 267	29 267	29 267	44 970	44 970	44 970	46 030	46 906	47 631
Pit toilet (ventilated)	28 015	28 015	28 015	42 087	42 087	42 087	42 780	43 353	43 828
Other toilet provisions (> min.service level)	1 565	1 565	1 565	2 351	2 351	2 351	2 390	2 422	2 448
<i>Minimum Service Level and Above sub-total</i>	64 716	64 716	64 716	98 225	98 225	98 225	100 162	101 764	103 089
Bucket toilet	—	—	—	—	—	—	—	—	—
Other toilet provisions (< min.service level)	—	—	—	—	—	—	—	—	—
No toilet provisions	13 538	13 538	13 538	11 196	11 196	11 196	9 259	7 657	6 332
<i>Below Minimum Service Level sub-total</i>	13 538	13 538	13 538	11 196	11 196	11 196	9 259	7 657	6 332
<b>Total number of households</b>	<b>78 254</b>	<b>78 254</b>	<b>78 254</b>	<b>109 421</b>	<b>109 421</b>	<b>109 421</b>	<b>109 421</b>	<b>109 421</b>	<b>109 421</b>
<b><u>Energy:</u></b>									
Electricity (at least min.service level)	32 673	32 673	32 673	71 337	71 337	71 337	71 773	107 152	107 584
Electricity - prepaid (min.service level)	1 837	1 837	1 837	1 837	1 837	1 837	1 837	1 837	1 837
<i>Minimum Service Level and Above sub-total</i>	34 510	34 510	34 510	73 174	73 174	73 174	73 610	108 989	109 421
Electricity (< min.service level)	—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)	—	—	—	—	—	—	—	—	—
Other energy sources	43 744	43 744	43 744	36 247	36 247	36 247	35 811	432	—
<i>Below Minimum Service Level sub-total</i>	43 744	43 744	43 744	36 247	36 247	36 247	35 811	432	—
<b>Total number of households</b>	<b>78 254</b>	<b>78 254</b>	<b>78 254</b>	<b>109 421</b>	<b>109 421</b>	<b>109 421</b>	<b>109 421</b>	<b>109 421</b>	<b>109 421</b>
<b><u>Refuse:</u></b>									
Removed at least once a week	22 068	22 068	22 068	30 857	30 857	30 857	30 857	30 857	30 857
<i>Minimum Service Level and Above sub-total</i>	22 068	22 068	22 068	30 857	30 857	30 857	30 857	30 857	30 857
Removed less frequently than once a week	2 582	2 582	2 582	3 611	3 611	3 611	3 611	3 611	3 611
Using communal refuse dump	939	939	939	1 313	1 313	1 313	1 313	1 313	1 313
Using own refuse dump	50 161	50 161	50 161	70 139	70 139	70 139	70 139	70 139	70 139
Other rubbish disposal	—	—	—	—	—	—	—	—	—
No rubbish disposal	2 504	2 504	2 504	3 501	3 501	3 501	3 501	3 501	3 501
<i>Below Minimum Service Level sub-total</i>	56 186	56 186	56 186	78 564	78 564	78 564	78 564	78 564	78 564
<b>Total number of households</b>	<b>78 254</b>	<b>78 254</b>	<b>78 254</b>	<b>109 421</b>	<b>109 421</b>	<b>109 421</b>	<b>109 421</b>	<b>109 421</b>	<b>109 421</b>
<b><u>Households receiving Free Basic Service</u></b>									
Water (6 kilolitres per household per month)	57 988	57 988	57 988	91 497	91 497	91 497	93 434	95 036	96 361
Sanitation (free minimum level service)	—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per household per month)	1 480	1 480	1 480	1 480	1 480	1 480	1 480	1 480	1 480
Refuse (removed at least once a week)	51 178	51 178	51 178	51 178	51 178	51 178	51 178	51 178	51 178
<b><u>Cost of Free Basic Services provided (R'000)</u></b>									
Water (6 kilolitres per household per month)	955	1 002	1 065	1 848	1 848	1 848	2 074	2 236	2 403
Sanitation (free sanitation service)	—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per household per month)	—	—	—	10 000	10 000	10 000	888	977	1 074
Refuse (removed once a week)	—	—	—	—	—	—	—	—	—
<b>Total cost of FBS provided (minimum social p</b>	<b>955</b>	<b>1 002</b>	<b>1 065</b>	<b>11 848</b>	<b>11 848</b>	<b>11 848</b>	<b>2 962</b>	<b>3 213</b>	<b>3 477</b>
<b><u>Highest level of free service provided</u></b>									
Property rates (R value threshold)	—	30 000	30 000	30 000	30 000	30 000	30 000	30 000	30 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	—	—	—	—	—	—	—	—	—
Sanitation (Rand per household per month)	—	—	—	—	—	—	—	—	—
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	—	—	—	—	—	—	—	—	—
<b><u>Revenue cost of free services provided (R'000)</u></b>									
Property rates (R15 000 threshold rebate)	—	20 310	12 786	25 000	25 000	25 000	4 011	4 412	4 854
Property rates (other exemptions, reductions and rebates)	—	—	—	—	—	—	6 598	7 258	7 984
Water	1 061	1 113	1 183	2 053	2 053	2 053	2 304	2 484	2 670
Sanitation	—	—	—	—	—	—	—	—	—
Electricity/other energy	—	—	—	10 000	10 000	10 000	888	977	1 074
Refuse	1 494	1 584	1 679	1 848	1 848	1 848	2 032	1 695	1 823
Municipal Housing - rental rebates	—	—	—	—	—	—	—	—	—
Housing - top structure subsidies	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—
<b>Total revenue cost of free services provided (total social package)</b>	<b>2 556</b>	<b>23 008</b>	<b>15 648</b>	<b>38 901</b>	<b>38 901</b>	<b>38 901</b>	<b>15 834</b>	<b>16 826</b>	<b>18 405</b>

## Part 2 – Supporting Documentation

### 2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Executive Mayor.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

#### 2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2011) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 25 August 2011. Key dates applicable to the process were:

- **August 2011** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2012/13 MTREF;
- **November 2011** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **January 2012** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;

- **January 2012** – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
- **28 January 2012** - Council considers the 2011/12 Mid-year Review and Adjustments Budget;
- **February 2012** - Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2012/13 MTREF is revised accordingly;
- **March 2012** - Tabling in Council of the draft 2012/13 IDP and 2012/13 MTREF for public consultation;
- **April 2012** – Public consultation;
- **May 2012** - Closing date for written comments;
- **May 2012** – finalisation of the 2012/13 IDP and 2012/13 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **May 2012** - Tabling of the 2012/13 MTREF before Council for consideration and approval.

### **2.1.2 IDP and Service Delivery and Budget Implementation Plan**

The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

The IDP has been taken into a business and financial planning process leading up to the 2012/13 MTREF, based on the approved 2011/12 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2012/13 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2011/12 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

### **2.1.3 Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2012/13 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2012/13 MTREF:

- Municipal growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)

- Performance trends
- The approved 2011/12 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54, 55 and 58 has been taken into consideration in the planning and prioritisation process.

#### **2.1.4 Community consultations**

The draft 2012/13 MTREF as tabled before Council on 30 March 2012 for community consultation was published on the municipality's website: [www.nkomazi.gov.za](http://www.nkomazi.gov.za) , and hard copies were made available at the following places:

- Malalane Civic Centre
- Malalane Library
- Hectorspruit Disaster Centre
- Komatipoort Municipal Offices
- kaMaqhekeza Library
- Mbuzini Library
- kaMhlushwa Library
- Langeloo Library
- Matsamo Tribal Offices
- Mbangwane Thusong Centre
- Louville Thusong Centre

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process. The applicable dates and venues were published in the local newspapers.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2012/13 MTREF.

## **2.2 Overview of alignment of annual budget with IDP**

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.



Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIS);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.

In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities.

The 2012/13 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective	Goal	Goal Code	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
Provide quality basic services and infrastructure.	provision of electricity ;water;sanitation; waste removal ;housing;roads and storm water;public transport and maintaining the infrastructure of the town.		280 326	293 400	397 152	375 232	375 232	375 232	460 599	488 996	530 710
Formalize the Settlement	Town establishment.		205	217	304	882	882	882	1 048	1 152	1 268
Provide facilities for business opportunities.	Number of people utilising the facilities for business purposes.		-	-		-	-	-	-	-	-
Provide the communities with safe buildings for meetings	Number of people Utilising the hall.		-	-		-	-	-	-	-	-
Provide staff with reliable and efficient equipments.	Improved staff productivity and customer satisfaction.		-	-		-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)			280 531	293 617	397 456	376 114	376 114	376 114	461 647	490 149	531 978

**Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

Strategic Objective	Goal	Goal Code	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
Provide quality basic services and infrastructure.	provision of electricity;water;sanitation; waste removal;housing;roads and storm water;public transport and maintaining the infrastructure of the town.		259 564	280 545	400 266	362 710	362 710	362 710	468 628	493 143	523 911
Formalize the Settlement	Town establishment.		3 250	4 041	3 527	14 548	14 548	14 548	17 578	19 037	14 349
Provide facilities for business opportunities.	Number of people utilising the facilities for business purposes.		–	–		–	–	–			
Provide the communities with safe buildings for meetings	Number of people Utilising the hall.										
Provide staff with reliable and efficient equipments.	Improved staff productivity and customer satisfaction.										
Allocations to other priorities											
Total Expenditure			262 814	284 586	403 793	377 258	377 258	377 258	486 206	512 180	538 260

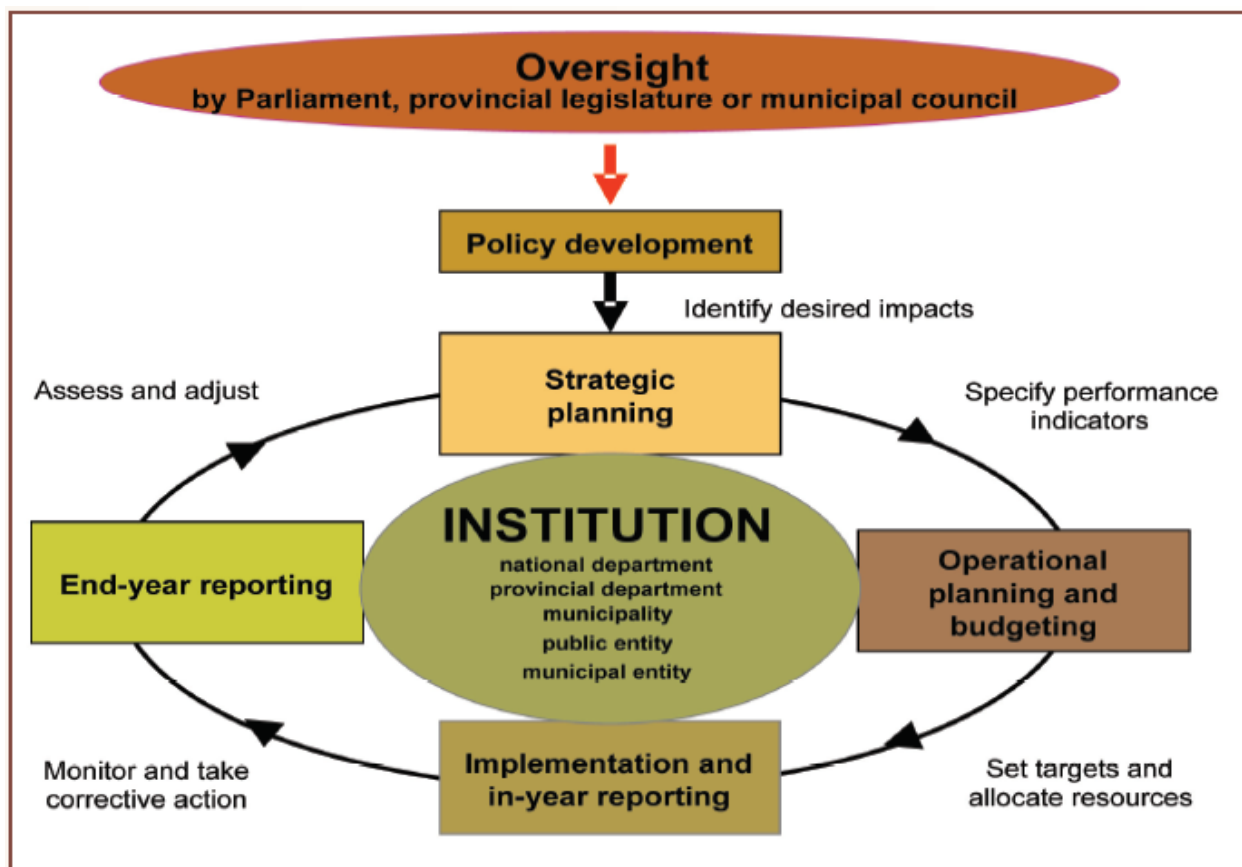
**Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

Strategic Objective	Goal	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Provide quality basic services and infrasructure.	provision of electricity ;water;sanitation; waste removal ;housing;roads and storm water;public transport and maintaining the infrastructure of the town.	106 332	115 337	98 017	131 461	154 537	154 537	164 671	149 598	164 095
Formalize the Settlement	Town establishment.	–	–	–	4 200	4 200	–	–	–	–
Provide facilities for business opportunities.	Number of people utilising the facilities for business purposes.	–	–		–	–	–			
Provide the communities with safe buildings for meetings	Number of people Utilising the hall.	245	342	3 658	9 248	9 248	9 248	4 761	5 000	
Provide staff with reliable and efficient equipments.	Improved staff productivity and customer satisfaction.	9 211	14 546	15 038	10 987	10 987	10 987	16 114	22 459	31 540
Allocations to other priorities										
Total Capital Expenditure		115 788	130 226	116 712	155 896	178 971	174 771	185 547	177 058	195 635

## Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

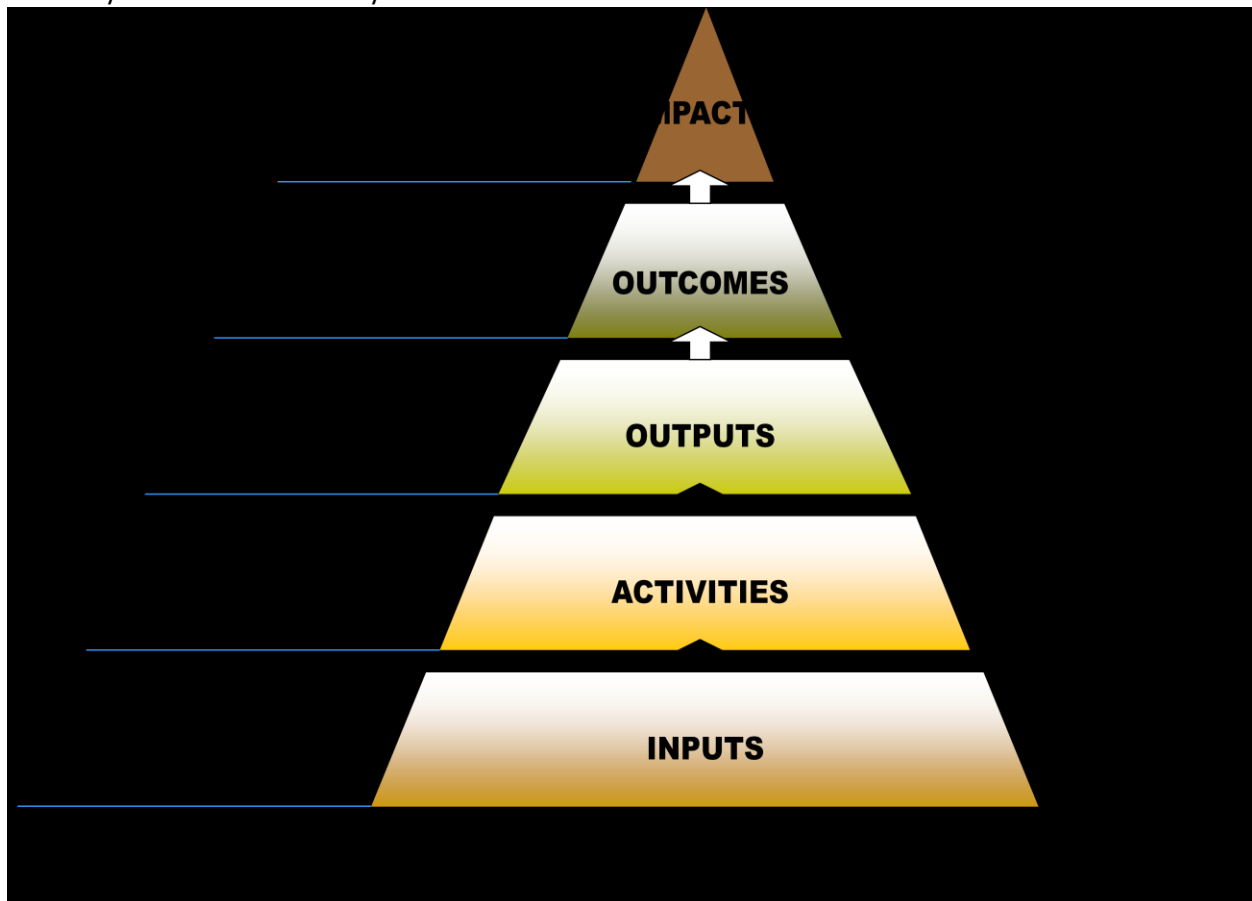


## Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:



The following table sets out the municipalities main performance objectives and benchmarks for the 2012/13 MTREF.

**Table SA7 - Measurable performance objectives**

Description	Unit of measurement	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Infrastructure and Development</b>										
<b>Function - Roads &amp; Stormwater</b>										
<b>Sub-function - Eradication of Backlogs</b>										
Reduce roads backlogs(gravel road to maintain)	Kilometer	3000	3000	3000	3000	3000	3000	3000	3000	3000
Tarred road to maintain	Kilometer	179.4	186	186	199	217	227	245	249	257
<b>Sub-function -Roads Maintained</b>										
Surfaced roads resurfaced/rehabilitated	Kilometer	0	6	5	2	2	2	1.5	3	3
<b>Sub-function -Roads for growth</b>										
New roads to be constructed	Kilometer	6.6	0	13	18	28	28	4	8.3	20
<b>Sub-function 1 -Stormwater for growth</b>										
Foot bridges to be constructed	Number	0	8	0	0	0	0	0	0	0
<b>Function - Water</b>										
<b>Sub-function - Eradication of water backlogs</b>										
Households provided with water connection	Number									
New bulk water pipelines	Kilometers	7	3.5	7.5	3	3	3	14	0	0
New Reservoirs	Megalitres	1.8	3	3	4	4	4	5	3	0
New Water treatment plant	Megalitres	6	6	7	0	0	0	8.5	7	6
<b>Sub-function - Maintanance of water infrastructure</b>										
Upgrade & replace of bulk water pipelines	Kilometers	0	0	88	16	16	16	14	18	0
Storage pressure	Number of resevoirs									
<b>Sub-function - Water Treatment &amp; package plant</b>										
Treatment works & package plant for clean	Number	13	13	17	20	20	20	20	20	20
<b>Function - Sewerage</b>										
<b>Sub-function - Eradication of sanitation backlog</b>										
Households provided with a sanitation	Number									
New bulk sewer pipelines	Meters									
<b>Sub-function - Maintanance of sanitation infrastructure</b>										
Upgrade & replace of bulk sewer plants	Number	0	0	0	1.8	1.8	1.8	0	10	5
<b>Function - Electricity Distribution</b>										
<b>Sub-function - Provide higher levels of electricity</b>										
Houses electrified to eradicate backlogs	Households	2558	2558	873	2661	2423	2555	1150	639	912
<b>Sub-function - New Connections</b>										
Connections Completed and occupied houses	Households	212	158	994	164	164	164	180	200	250
<b>Sub-function -Provide public lighting</b>										
New street lights installed	Number	45	30	27	0	0	0	50	100	200
<b>Sub-function -Maintain electricity</b>										
Replace overhead lines	Kilometre	2	2	2.5	0	0	0	2	3	3
Install HT Ring Supply	Number	2	2	3	0	0	0	2	2	3
Replace street lights	Number	16	24	28	11	11	11	50	100	150
Electricity repairs and maintenance%	% Repaired	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	80.0%	80.0%	80.0%

**Table SA8 - Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b><u>Borrowing Management</u></b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.4%	1.4%	29.5%	0.7%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	7.9%	4.5%	5.3%	1.9%	2.1%	2.1%	2.1%	1.4%	1.3%	1.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	22.1%	18.1%	18.1%	18.1%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	2.6	1.0	0.5	1.3	1.2	1.2	1.2	(0.6)	(0.6)	(0.6)
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 day s/current liabilities	2.6	1.0	0.5	1.3	1.2	1.2	1.2	(0.6)	(0.6)	(0.6)
Liquidity Ratio	Monetary Assets/Current Liabilities	1.9	0.5	0.1	0.9	0.1	0.1	0.1	0.4	0.4	0.3
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		74.2%	76.2%	85.8%	90.0%	90.0%	90.0%	90.0%	99.2%	99.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			74.2%	76.2%	85.8%	90.0%	90.0%	90.0%	90.0%	99.2%	99.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13.0%	14.5%	12.3%	7.1%	6.3%	6.3%	6.3%	-2.9%	-2.8%	-2.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		29.6%	123.8%	-1423.8%	3497.1%	-44.9%	-44.9%	-44.9%	0.0%	0.0%	0.0%
<b><u>Other Indicators</u></b>											
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	36.3%	43.9%	0.0%	45.7%	46.2%	46.2%	46.2%	40.1%	39.8%	38.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	40.6%	48.4%	4.4%	49.4%	0.6%	0.6%		4.6%	0.4%	0.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	28.2%	41.9%	0.0%	33.7%	33.8%	33.8%		26.0%	26.9%	26.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	12.0%	12.0%	1.0%	2.3%	14.2%	14.2%	14.2%	12.2%	12.1%	11.7%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	9.7	17.0	12.9	41.2	41.2	41.2	39.8	55.8	57.6	63.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	58.9%	53.8%	45.2%	24.4%	21.5%	21.5%	21.5%	-8.6%	-8.2%	-7.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	6.9	2.2	(2.2)	0.1	(1.7)	(1.7)	(1.7)	(1.8)	(1.4)	(0.6)

## 2.3 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. The following budget policies were reviewed and are to be approved for implementation from 1 July 2012:

- Asset management policy
- Cellphone and 3G policy
- Database policy
- Budget policy
- Virement Policy (new)
- Tariff policy
- Supply chain management policy
- Credit control and debt collection policy
- Cash management and investment policy
- Telephone and fax policy
- Subsistence and travel policy
- Telephone and 3G policy

The tables below provide detail investment information and investment particulars by maturity.

### SA15 – Detail Investment Information

Investment type	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>									
<b>Parent municipality</b>									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank	86 166	35 000	5 000	50 000	5 000	500	5 000	5 000	5 000
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									
Municipal Bonds									
<b>Municipality sub-total</b>	<b>86 166</b>	<b>35 000</b>	<b>5 000</b>	<b>50 000</b>	<b>5 000</b>	<b>500</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>
<b>Entities</b>									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank									
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									
<b>Entities sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated total:</b>	<b>86 166</b>	<b>35 000</b>	<b>5 000</b>	<b>50 000</b>	<b>5 000</b>	<b>500</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>



## SA16 – Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID	Yrs/Months				3.		Rand thousand	
<u>Parent municipality</u>								
ABSA	1 year	Fixed	Yes	Fixed	5.0%	2012/11/30	5 000	250
<b>TOTAL INVESTMENTS AND INTEREST</b>							<b>5 000</b>	<b>250</b>

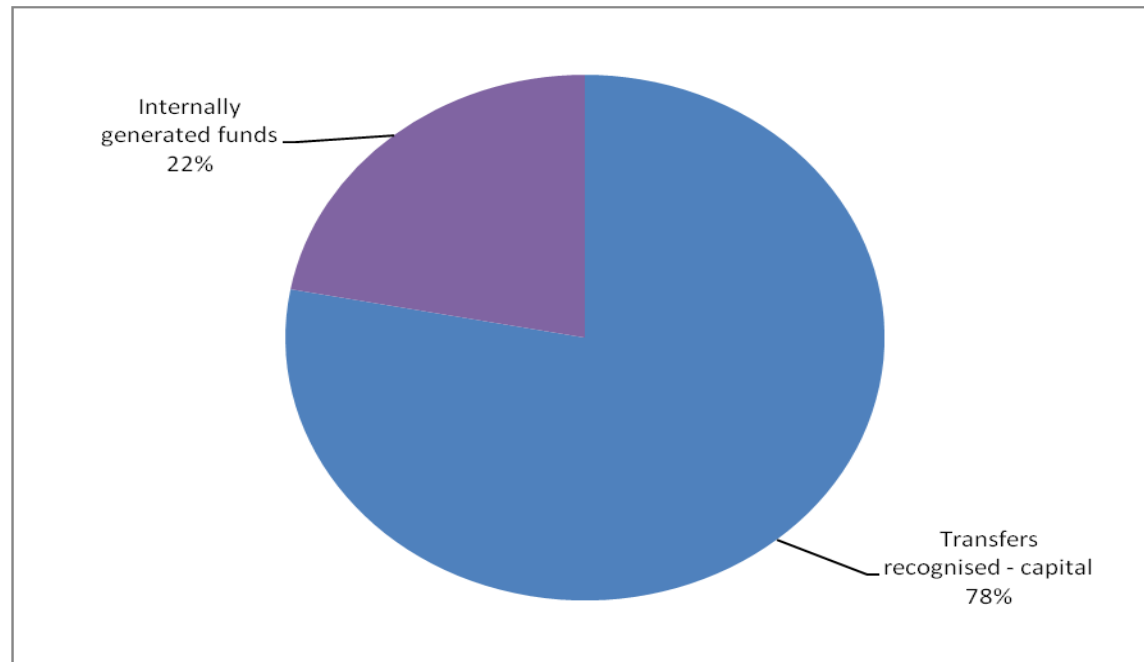
## Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2011/12 medium-term capital programme:

### Sources of capital revenue over the MTREF

Description			2012/13 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget		Budget Year 2012/13		Budget Year +1 2013/14		Budget Year +2 2014/15	
<b>R thousands</b>								
<u>Capital expenditure &amp; funds sources</u>								
<b>Capital expenditure</b>	<b>174 764</b>		<b>185 547</b>		<b>177 058</b>		<b>195 635</b>	
Transfers recognised - capital	147 175	84%	144 633	78%	146 278	83%	161 339	82%
Public contributions & donations	–	0%	–	0%	–	0%	–	0%
Borrowing	5 000	3%	–	0%	–	0%	–	0%
Internally generated funds	22 590	13%	40 914	22%	30 779	17%	34 296	18%
<b>Total sources of capital funds</b>	<b>174 764</b>	<b>100%</b>	<b>185 547</b>	<b>100%</b>	<b>177 058</b>	<b>100%</b>	<b>195 635</b>	<b>100%</b>

The above table is graphically represented as follows for the 2012/13 financial year.



**Table SA 17 –Details of borrowings**

Borrowing - Categorized by type	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Parent municipality</b>									
Long-Term Loans (annuity/reducing balance)	5 592	4 528	3 263	1 911	1 911	1 911	2 991	2 493	1 994
Financial Leases	4 100	2 911							
<b>Municipality sub-total</b>	<b>9 692</b>	<b>7 439</b>	<b>3 263</b>	<b>1 911</b>	<b>1 911</b>	<b>1 911</b>	<b>2 991</b>	<b>2 493</b>	<b>1 994</b>
<b>Total Borrowing</b>	<b>9 692</b>	<b>7 439</b>	<b>3 263</b>	<b>1 911</b>	<b>1 911</b>	<b>1 911</b>	<b>2 991</b>	<b>2 493</b>	<b>1 994</b>

**Table SA 18 - Capital transfers and grant receipts**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>RECEIPTS:</b>									
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>45 912</b>	<b>81 723</b>	<b>95 982</b>	<b>131 591</b>	<b>145 537</b>	<b>145 537</b>	<b>145 585</b>	<b>147 284</b>	<b>162 432</b>
Municipal Infrastructure Grant (MIG)	38 887	68 275	91 482	112 208	126 154	126 154	132 985	140 284	152 432
Integrated National Electrification Programme	7 025	13 449	4 500	19 383	19 383	19 383	12 600	7 000	10 000
<b>Total Capital Transfers and Grants</b>	<b>45 912</b>	<b>81 723</b>	<b>95 982</b>	<b>131 591</b>	<b>145 537</b>	<b>145 537</b>	<b>145 585</b>	<b>147 284</b>	<b>162 432</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>214 078</b>	<b>256 302</b>	<b>305 675</b>	<b>378 820</b>	<b>396 349</b>	<b>396 349</b>	<b>424 249</b>	<b>441 031</b>	<b>481 414</b>

### 2.3.1 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

**Table A7 - Budget cash flow statement**

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Ratepayers and other	69 833	84 486	86 338	111 151	111 083	111 083	125 114	183 251	201 546	221 668
Government - operating	215 561	184 805	217 758	245 591	249 175	249 175	249 175	274 896	284 753	306 075
Government - capital	50 255	98 254	74 507	133 229	147 175	147 175	147 175	144 633	146 278	161 339
Interest	17 623	8 957	4 532	7 016	2 016	2 016	2 016	2 000	2 200	2 420
Dividends	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees	(207 839)	(333 856)	(312 645)	(367 211)	(379 997)	(379 997)	(354 997)	(423 268)	(445 428)	(467 568)
Finance charges	(3 332)	(987)	(2 580)	(1 347)	(1 347)	(1 347)	(1 347)	(1 420)	(1 499)	(1 580)
Transfers and Grants	-	-	-	(62)	(69)	(69)	(69)	(200)	(211)	(223)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>142 101</b>	<b>41 659</b>	<b>67 909</b>	<b>128 366</b>	<b>128 035</b>	<b>128 035</b>	<b>167 066</b>	<b>179 892</b>	<b>187 639</b>	<b>222 131</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE	586	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets	(63 908)	(93 030)	(116 712)	(140 306)	(174 764)	(174 764)	(174 764)	(185 547)	(177 058)	(195 635)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(63 322)</b>	<b>(93 030)</b>	<b>(116 712)</b>	<b>(140 306)</b>	<b>(174 764)</b>	<b>(174 764)</b>	<b>(174 764)</b>	<b>(185 547)</b>	<b>(177 058)</b>	<b>(195 635)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	5 000	5 000	5 000	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing	(5 567)	(2 681)	(2 456)	(1 148)	(1 148)	(1 148)	(1 148)	(1 148)	(1 148)	(1 148)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(5 567)</b>	<b>(2 681)</b>	<b>(2 456)</b>	<b>3 852</b>	<b>3 852</b>	<b>3 852</b>	<b>(1 148)</b>	<b>(1 148)</b>	<b>(1 148)</b>	<b>(1 148)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>73 212</b>	<b>(54 052)</b>	<b>(51 260)</b>	<b>(8 089)</b>	<b>(42 878)</b>	<b>(42 878)</b>	<b>(8 847)</b>	<b>(6 803)</b>	<b>9 433</b>	<b>25 347</b>
Cash/cash equivalents at the year begin:	29 061	102 273	48 220	10 000	(3 040)	(3 040)	(3 040)	(11 888)	(18 691)	(9 258)
Cash/cash equivalents at the year end:	102 273	48 220	(3 040)	1 911	(45 918)	(45 918)	(11 888)	(18 691)	(9 258)	16 089

### 2.3.2 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

**Table A8 - Cash backed reserves/accumulated surplus reconciliation**

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>										
<b><u>Cash and investments available</u></b>										
Cash/cash equivalents at the year end	102 273	48 220	(3 040)	1 911	(45 918)	(45 918)	(11 888)	(18 691)	(9 258)	16 089
Other current investments > 90 days	(1)	(113)	(1)	58 089	47 878	47 878	13 847	75 548	44 081	(4 628)
Non current assets - Investments	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>	<b>102 272</b>	<b>48 107</b>	<b>(3 040)</b>	<b>60 000</b>	<b>1 960</b>	<b>1 960</b>	<b>1 960</b>	<b>56 857</b>	<b>34 823</b>	<b>11 461</b>
<b><u>Application of cash and investments</u></b>										
Unspent conditional transfers	19 938	25 564	16 975	-	-	-	-	-	-	-
Unspent borrowing	-	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3 258	27 327	7 377	42 838	(467)	(467)	(3 132)	(8 838)	(7 900)	2 493
Other provisions	353	567	-	635	-	-	-	-	-	-
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>	<b>23 549</b>	<b>53 459</b>	<b>24 353</b>	<b>43 473</b>	<b>(467)</b>	<b>(467)</b>	<b>(3 132)</b>	<b>(8 838)</b>	<b>(7 900)</b>	<b>2 493</b>
<b>Surplus(shortfall)</b>	<b>78 723</b>	<b>(5 352)</b>	<b>(27 393)</b>	<b>16 527</b>	<b>2 426</b>	<b>2 426</b>	<b>5 091</b>	<b>65 695</b>	<b>42 723</b>	<b>8 969</b>

## Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

## SA10 – Funding compliance measurement

Description	MFMA section	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Funding measures</b>											
Cash/cash equivalents at the year end - R'000	18(1)b	102 273	48 220	(3 040)	1 911	(45 918)	(45 918)	(11 888)	(18 691)	(9 258)	16 089
Cash + investments at the yr end less applications - R'000	18(1)b	78 723	(5 352)	(27 393)	16 527	2 426	2 426	5 091	65 695	42 723	8 969
Cash year end/monthly employee/supplier payments	18(1)b	6.9	2.2	(0.1)	0.1	(1.7)	(1.7)	(0.4)	(0.7)	(0.3)	0.5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	62 651	(21 890)	(6 337)	131 393	74 447	72 924	72 924	120 074	124 247	155 058
Service charge rev % change - macro CPIIX target exclusive	18(1)a,(2)	N.A.	22.7%	1.6%	21.6%	(6.0%)	(6.0%)	(6.0%)	34.5%	4.0%	4.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	74.2%	76.2%	90.5%	90.0%	90.0%	90.0%	101.4%	99.2%	99.2%	99.2%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	2.6%	6.9%	1.8%	1.1%	11.5%	12.1%	12.1%	8.6%	8.2%	7.9%
Capital payments % of capital expenditure	18(1)c;19	55.2%	71.4%	100.0%	90.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	0.0%	22.1%	18.1%	18.1%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	16.8%	(6.6%)	(32.8%)	(12.1%)	0.0%	0.0%	69.2%	2.2%	(21.1%)
Long term receivables % change - incr(decr)	18(1)a	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	11.6%	16.7%	0.0%	12.5%	13.0%	13.0%	12.4%	9.4%	9.3%	8.8%
Asset renewal % of capital budget	20(1)(vi)	41.0%	53.2%	42.6%	44.8%	40.0%	40.0%	0.0%	69.7%	66.3%	71.3%
% incr Service charges - refuse revenue	18(1)a		6.3%	(71.6%)	326.1%	0.0%	0.0%	0.0%	10.0%	10.0%	10.0%
% incr in Service charges - other	18(1)a		(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	(62.1%)	10.0%	10.0%
Total billable revenue	18(1)a	61 742	78 920	87 780	109 126	109 126	109 126	109 126	153 327	168 660	185 526
Service charges		60 894	78 379	84 359	107 619	107 619	107 619	107 619	151 235	166 358	182 994
Property rates		23 084	35 577	29 015	48 000	48 000	48 000	48 000	74 207	81 628	89 791
Service charges - electricity revenue		24 202	28 071	32 895	36 896	36 896	36 896	36 896	50 689	55 758	61 334
Service charges - water revenue		7 693	9 119	17 553	15 314	15 314	15 314	15 314	18 665	20 531	22 584
Service charges - sanitation revenue		2 771	2 270	3 948	2 708	2 708	2 708	2 708	2 978	3 276	3 604
Service charges - refuse removal		3 144	3 343	948	4 041	4 041	4 041	4 041	4 445	4 890	5 379
Service charges - other		1	-	-	660	660	660	660	250	275	303
Rental of facilities and equipment		848	541	3 420	1 508	1 508	1 508	1 508	2 093	2 302	2 532
Capital expenditure excluding capital grant funding		70 854	48 502	36 819	22 667	27 567	27 567	27 567	40 914	30 779	34 296
Cash receipts from ratepayers	18(1)a	69 833	84 486	86 338	111 151	111 083	111 083	125 114	183 251	201 546	221 668
Ratepayer & Other revenue	18(1)a	94 156	110 818	95 403	123 507	123 439	123 439	123 439	184 751	203 196	223 483
Change in consumer debtors (current and non-current)		6 861	6 108	(2 801)	(13 008)	(16 228)	(16 228)	(16 228)	12 998	870	(8 557)
Operating and Capital Grant Revenue	18(1)a	213 100	256 302	297 651	378 820	396 275	396 275	396 275	419 529	431 031	467 414
Capital expenditure - total	20(1)(vi)	115 788	130 226	116 712	155 896	174 742	174 742	174 742	185 547	177 058	195 635
Capital expenditure - renewal	20(1)(vi)	47 505	69 223	49 708	69 829	69 829	69 829		129 291	117 393	139 439
<b>Supporting benchmarks</b>											
Growth guideline maximum		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline		4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY									274 896	284 753	306 075
DoRA capital grants total MFY									144 633	146 278	161 339
Provincial operating grants											
Provincial capital grants											
District Municipality grants											
Total gazetted/advised national, provincial and district grants									419 529	431 031	467 414
Average annual collection rate (arrears inclusive)											

## 2.4 Expenditure on grants and reconciliations of unspent funds

### SA19 - Expenditure on transfers and grant programmes

Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>EXPENDITURE:</b>									
<b><u>Operating expenditure of Transfers and Grants</u></b>									
<b>National Government:</b>	<b>167 893</b>	<b>174 587</b>	<b>213 258</b>	<b>245 591</b>	<b>250 333</b>	<b>250 333</b>	<b>274 896</b>	<b>284 753</b>	<b>306 075</b>
Local Government Equitable Share	144 660	157 899	196 588	234 566	234 566	234 566	259 653	278 075	298 694
Finance Management	228	759	1 000	1 250	1 250	1 250	1 500	1 500	1 750
Municipal Systems Improvement	735	735	750	790	790	790	800	870	950
Water Services Operating Subsidy	22 270	15 194	14 920	8 985	9 059	9 059	7 494		
EPWP Incentive					1 638	1 638	1 366		
MIG-PMU Operational (3%)					3 030	3 030	4 083	4 308	4 681
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>480</b>	<b>480</b>	<b>-</b>	<b>-</b>	<b>-</b>
LGSETA Learnership grant					480	480			
<b>Total operating expenditure of Transfers and Grants</b>	<b>167 893</b>	<b>174 587</b>	<b>213 258</b>	<b>245 591</b>	<b>250 813</b>	<b>250 813</b>	<b>274 896</b>	<b>284 753</b>	<b>306 075</b>
<b><u>Capital expenditure of Transfers and Grants</u></b>									
<b>National Government:</b>	<b>50 624</b>	<b>72 974</b>	<b>79 007</b>	<b>131 591</b>	<b>145 537</b>	<b>145 537</b>	<b>144 633</b>	<b>146 278</b>	<b>161 339</b>
Municipal Infrastructure Grant (MIG)	43 599	59 526	74 507	112 208	126 154	126 154	132 033	139 278	151 339
Integrated National Electrification Programme	7 025	13 449	4 500	19 383	19 383	19 383	12 600	7 000	10 000
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 638</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
EPWP Incentive				1 638					
<b>Total capital expenditure of Transfers and Grants</b>	<b>50 624</b>	<b>72 974</b>	<b>79 007</b>	<b>133 229</b>	<b>145 537</b>	<b>145 537</b>	<b>144 633</b>	<b>146 278</b>	<b>161 339</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>218 517</b>	<b>247 562</b>	<b>292 265</b>	<b>378 820</b>	<b>396 349</b>	<b>396 349</b>	<b>419 529</b>	<b>431 031</b>	<b>467 414</b>

## SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>									
<b>Operating transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year									
Current year receipts	168 166	174 578	209 693	247 229	250 333	250 333	274 896	284 753	306 075
<b>Conditions met - transferred to revenue</b>	<b>168 166</b>	<b>174 578</b>	<b>209 693</b>	<b>247 229</b>	<b>250 333</b>	<b>250 333</b>	<b>274 896</b>	<b>284 753</b>	<b>306 075</b>
Current year receipts	-	-	-	-	480	480	-	-	-
<b>Conditions met - transferred to revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>480</b>	<b>480</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities									
<b>Total operating transfers and grants revenue</b>	<b>168 166</b>	<b>174 578</b>	<b>209 693</b>	<b>247 229</b>	<b>250 813</b>	<b>250 813</b>	<b>274 896</b>	<b>284 753</b>	<b>306 075</b>
<b>Total operating transfers and grants - CTBM</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year				16 975	16 975	16 975			
Current year receipts	45 912	81 723	95 982	131 591	128 561	128 561	144 633	146 278	161 339
<b>Conditions met - transferred to revenue</b>	<b>45 912</b>	<b>81 723</b>	<b>95 982</b>	<b>148 566</b>	<b>145 537</b>	<b>145 537</b>	<b>144 633</b>	<b>146 278</b>	<b>161 339</b>
<b>Total capital transfers and grants revenue</b>	<b>45 912</b>	<b>81 723</b>	<b>95 982</b>	<b>148 566</b>	<b>145 537</b>	<b>145 537</b>	<b>144 633</b>	<b>146 278</b>	<b>161 339</b>
<b>Total capital transfers and grants - CTBM</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>214 078</b>	<b>256 302</b>	<b>305 675</b>	<b>395 795</b>	<b>396 349</b>	<b>396 349</b>	<b>419 529</b>	<b>431 031</b>	<b>467 414</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## SA 21 – transfers and grants made by the municipality

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>										
<b>Cash Transfers to Groups of Individuals</b>										
<i>Student Financial Aid Support</i>				62	69	69	69	200	211	223
<b>Total Cash Transfers To Groups Of Individuals:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>200</b>	<b>211</b>	<b>223</b>
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>200</b>	<b>211</b>	<b>223</b>
<b>Groups of Individuals</b>										
<i>Property rates additional rebate</i>								6 598	7 258	7 984
<b>Total Non-Cash Grants To Groups Of Individuals:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 598</b>	<b>7 258</b>	<b>7 984</b>
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 598</b>	<b>7 258</b>	<b>7 984</b>
<b>TOTAL TRANSFERS AND GRANTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>6 798</b>	<b>7 469</b>	<b>8 206</b>

## Councillor and employee benefits

Table SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
	A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	7 914	8 912	7 031	8 625	7 295	7 295	10 575	11 256	11 864
Pension and UIF Contributions	800	860	1 012	1 859	1 859	1 859	1 597	1 700	1 791
Medical Aid Contributions	89	96	73	196	196	196	185	196	207
Motor Vehicle Allowance	2 619	2 782	2 309	3 148	3 148	3 148	3 995	4 253	4 482
Cellphone Allowance	576	612	3 682	726	726	726	876	932	983
Housing Allowances	—	—	—	—	—	—	—	—	—
Other benefits and allowances	—	—	—	84	84	84	176	185	195
<b>Sub Total - Councillors</b>	<b>11 998</b>	<b>13 262</b>	<b>14 107</b>	<b>14 637</b>	<b>13 307</b>	<b>13 307</b>	<b>17 404</b>	<b>18 523</b>	<b>19 523</b>
<b>% increase</b>		<b>10.5%</b>	<b>6.4%</b>	<b>3.8%</b>	<b>(9.1%)</b>		<b>30.8%</b>	<b>6.4%</b>	<b>5.4%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	3 536	3 545	2 043	3 953	3 953	3 953	3 920	4 175	4 400
Pension and UIF Contributions	494	523	401	728	728	728	902	960	1 012
Medical Aid Contributions	27	16	—	17	17	17	—	—	—
Overtime	—	—	—	—	—	—	—	—	—
Performance Bonus	82	79	—	190	190	190	327	348	367
Motor Vehicle Allowance	735	672	330	555	555	555	636	677	713
Cellphone Allowance	49	55	—	75	75	75	149	159	167
Housing Allowances	—	—	—	—	—	—	—	—	—
Other benefits and allowances	35	35	793	39	39	39	0	0	0
Payments in lieu of leave	—	—	—	—	—	—	—	—	—
Long service awards	—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	—	—	—	—	—	—	—	—	—
<b>Sub Total - Senior Managers of Municipality</b>	<b>4 958</b>	<b>4 927</b>	<b>3 567</b>	<b>5 557</b>	<b>5 557</b>	<b>5 557</b>	<b>5 933</b>	<b>6 319</b>	<b>6 660</b>
<b>% increase</b>		<b>(0.6%)</b>	<b>(27.6%)</b>	<b>55.8%</b>	<b>—</b>	<b>—</b>	<b>6.8%</b>	<b>6.5%</b>	<b>5.4%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	53 040	53 278	109 851	100 437	100 068	100 068	112 633	118 905	125 326
Pension and UIF Contributions	11 417	15 329	14 515	22 489	22 489	22 489	25 794	27 239	28 713
Medical Aid Contributions	2 854	3 832	3 955	5 009	5 109	5 109	4 238	4 478	4 719
Overtime	9 172	12 566	10 590	14 984	14 146	14 146	11 683	12 436	13 107
Performance Bonus	4 212	4 630	10 182	8 370	7 980	7 980	8 977	9 479	9 991
Motor Vehicle Allowance	2 891	4 885	5 432	6 404	6 492	6 492	7 450	7 865	8 289
Cellphone Allowance	622	663	456	705	705	705	1 006	1 062	1 120
Housing Allowances	1 204	1 088	839	1 057	1 073	1 073	1 103	1 165	1 227
Other benefits and allowances	11 370	27 497	1 678	6 082	8 082	8 082	3 924	4 144	4 367
Payments in lieu of leave	—	—	1 778	1 500	1 500	1 500	1 500	1 500	1 725
Long service awards	—	—	—	—	500	500	500	500	500
Post-retirement benefit obligations	119	102	—	146	165	165	162	162	171
<b>Sub Total - Other Municipal Staff</b>	<b>96 901</b>	<b>123 871</b>	<b>159 274</b>	<b>165 682</b>	<b>168 309</b>	<b>168 309</b>	<b>178 961</b>	<b>188 934</b>	<b>199 256</b>
<b>% increase</b>		<b>27.8%</b>	<b>28.6%</b>	<b>4.0%</b>	<b>1.6%</b>		<b>6.3%</b>	<b>5.6%</b>	<b>5.5%</b>
<b>Total Parent Municipality</b>	<b>113 857</b>	<b>142 060</b>	<b>176 948</b>	<b>185 876</b>	<b>187 173</b>	<b>187 173</b>	<b>202 297</b>	<b>213 775</b>	<b>225 439</b>
		<b>24.8%</b>	<b>24.6%</b>	<b>5.0%</b>	<b>0.7%</b>		<b>8.1%</b>	<b>5.7%</b>	<b>5.5%</b>
<b>Board Members of Entities</b>									
Basic Salaries and Wages	—	—	—	—	—	—	—	—	—
Pension and UIF Contributions	—	—	—	—	—	—	—	—	—
Medical Aid Contributions	—	—	—	—	—	—	—	—	—
Overtime	—	—	—	—	—	—	—	—	—
Performance Bonus	—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	—	—	—	—	—	—	—	—	—
Cellphone Allowance	—	—	—	—	—	—	—	—	—
Housing Allowances	—	—	—	—	—	—	—	—	—
Other benefits and allowances	—	—	—	—	—	—	—	—	—
Board Fees	—	—	—	—	—	—	—	—	—
Payments in lieu of leave	—	—	—	—	—	—	—	—	—
Long service awards	—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	—	—	—	—	—	—	—	—	—
<b>Sub Total - Board Members of Entities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>% increase</b>									
<b>Senior Managers of Entities</b>									
Basic Salaries and Wages	—	—	—	—	—	—	—	—	—
Pension and UIF Contributions	—	—	—	—	—	—	—	—	—
Medical Aid Contributions	—	—	—	—	—	—	—	—	—
Overtime	—	—	—	—	—	—	—	—	—
Performance Bonus	—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	—	—	—	—	—	—	—	—	—
Cellphone Allowance	—	—	—	—	—	—	—	—	—
Housing Allowances	—	—	—	—	—	—	—	—	—
Other benefits and allowances	—	—	—	—	—	—	—	—	—
Payments in lieu of leave	—	—	—	—	—	—	—	—	—
Long service awards	—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	—	—	—	—	—	—	—	—	—
<b>Sub Total - Senior Managers of Entities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>% increase</b>									
<b>Other Staff of Entities</b>									
Basic Salaries and Wages	—	—	—	—	—	—	—	—	—
Pension and UIF Contributions	—	—	—	—	—	—	—	—	—
Medical Aid Contributions	—	—	—	—	—	—	—	—	—
Overtime	—	—	—	—	—	—	—	—	—
Performance Bonus	—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	—	—	—	—	—	—	—	—	—
Cellphone Allowance	—	—	—	—	—	—	—	—	—
Housing Allowances	—	—	—	—	—	—	—	—	—
Other benefits and allowances	—	—	—	—	—	—	—	—	—
Payments in lieu of leave	—	—	—	—	—	—	—	—	—
Long service awards	—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	—	—	—	—	—	—	—	—	—
<b>Sub Total - Other Staff of Entities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>% increase</b>									
<b>Total Municipal Entities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>113 857</b>	<b>142 060</b>	<b>176 948</b>	<b>185 876</b>	<b>187 173</b>	<b>187 173</b>	<b>202 297</b>	<b>213 775</b>	<b>225 439</b>
<b>% increase</b>		<b>24.8%</b>	<b>24.6%</b>	<b>5.0%</b>	<b>0.7%</b>		<b>8.1%</b>	<b>5.7%</b>	<b>5.5%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>101 859</b>	<b>128 797</b>	<b>162 841</b>	<b>171 239</b>	<b>173 866</b>	<b>173 866</b>	<b>184 894</b>	<b>195 252</b>	<b>205 915</b>



<b>Disclosure of Salaries, Allowances &amp; Benefits 1.</b>	<b>No.</b>	<b>Salary</b>	<b>Contributions</b>	<b>Allowances</b>	<b>Performance Bonuses</b>	<b>In-kind benefits</b>	<b>Total Package</b>
<b>Rand per annum</b>			<b>1.</b>				<b>2.</b>
<b>Councillors</b>							
Speaker	1	360 861	13 054	155 917			529 833
Chief Whip	1	326 800	32 144	147 379			506 323
Executive Mayor	1	451 261	82 180	191 012			724 454
Deputy Executive Mayor	-	-	-	-			-
Executive Committee	5	1 715 700	312 706	736 896			2 765 302
Total for all other councillors	57	7 720 650	1 516 867	3 640 103			12 877 620
<b>Total Councillors</b>	<b>65</b>	<b>10 575 272</b>	<b>1 956 952</b>	<b>4 871 308</b>			<b>17 403 532</b>
<b>Senior Managers of the Municipality</b>							
Municipal Manager (MM)	1	751 278	172 844	145 848	62 607		1 132 576
Chief Finance Officer	1	759 142	174 653	145 848	63 262		1 142 905
Director-Corporate Services	1	595 769	137 077	118 484	49 647		900 978
Director-Infrastructure Development	1	568 477	130 800	170 306	47 373		916 956
Director-Community Services	1	617 891	142 165	128 346	51 491		939 893
Director-Planning and Development	1	627 184	144 302	75 888	52 265		899 640
List of each official with packages >= senior manager							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
<b>Total Senior Managers of the Municipality</b>	<b>6</b>	<b>3 919 742</b>	<b>901 841</b>	<b>784 720</b>	<b>326 645</b>		<b>5 932 947</b>
<b>A Heading for Each Entity</b>							
List each member of board by designation							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
<b>Total for municipal entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>71</b>	<b>14 495 014</b>	<b>2 858 793</b>	<b>5 656 028</b>	<b>326 645</b>		<b>23 336 479</b>

**Table SA24 – Summary of personnel numbers**

Summary of Personnel Numbers				Current Year 2011/12			Budget Year 2012/13		
Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>									
Councillors (Political Office Bearers plus Other Councillors)	60	–	60	65	–	65	65	–	65
Board Members of municipal entities	–	–	–	–	–	–	–	–	–
<b>Municipal employees</b>	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	5	–	5	5	–	5	5	–	5
Other Managers	13	12	1	13	12	1	14	13	1
Professionals	–	–	–	–	1	–	–	1	–
Finance	–	–	–	–	1	–	–	1	–
Spatial/town planning	–	–	–	–	–	–	–	–	–
Information Technology	–	–	–	–	–	–	–	–	–
Roads	–	–	–	–	–	–	–	–	–
Electricity	–	–	–	–	–	–	–	–	–
Water	–	–	–	–	–	–	–	–	–
Sanitation	–	–	–	–	–	–	–	–	–
Refuse	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Technicians	810	723	87	810	723	88	842	842	5
Finance	4	3	6	4	3	6	7	7	5
Spatial/town planning	8	8	–	8	8	–	8	8	–
Information Technology	1	1	–	1	1	1	2	2	–
Roads	–	–	–	–	–	–	–	–	–
Electricity	10	10	–	10	10	–	14	14	–
Water	–	–	–	–	–	–	–	–	–
Sanitation	–	–	–	–	–	–	–	–	–
Refuse	–	–	–	–	–	–	–	–	–
Other	787	701	81	787	701	81	811	811	–
Clerks (Clerical and administrative)	71	71	–	71	71	–	77	77	–
Service and sales workers	–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers	–	–	–	–	–	–	–	–	–
Craft and related trades	–	–	–	–	–	–	–	–	–
Plant and Machine Operators	67	67	–	67	67	–	67	67	–
Elementary Occupations	–	–	–	–	–	–	–	–	–
<b>TOTAL PERSONNEL NUMBERS</b>	<b>1 026</b>	<b>873</b>	<b>153</b>	<b>1 031</b>	<b>874</b>	<b>159</b>	<b>1 070</b>	<b>1 000</b>	<b>76</b>
<b>% increase</b>				0.5%	0.1%	3.9%	3.8%	14.4%	(52.2%)
<b>Total municipal employees headcount</b>	<b>966</b>	<b>873</b>	<b>93</b>	<b>966</b>	<b>873</b>	<b>93</b>			
Finance personnel headcount	<b>54</b>	<b>44</b>	<b>7</b>	<b>54</b>	<b>44</b>	<b>7</b>	<b>58</b>	<b>63</b>	<b>5</b>
Human Resources personnel headcount	<b>4</b>	<b>4</b>	<b>–</b>	<b>4</b>	<b>4</b>	<b>–</b>	<b>4</b>	<b>4</b>	

## SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Revenue By Source</b>															
Property rates	2 968	5 937	4 452	4 452	5 195	5 937	8 905	8 163	5 937	7 421	7 421	7 421	74 207	81 628	89 791
Property rates - penalties & collection charges													-	-	-
Service charges - electricity revenue	5 576	4 055	3 041	3 548	4 562	4 055	5 069	4 055	4 562	4 055	4 562	3 548	50 689	55 758	61 334
Service charges - water revenue	1 307	1 680	1 866	1 120	1 307	1 307	2 053	1 307	1 680	1 493	1 680	1 866	18 665	20 531	22 584
Service charges - sanitation revenue	268	238	268	238	238	208	328	268	298	238	208	179	2 978	3 276	3 604
Service charges - refuse revenue	400	400	400	400	267	400	400	222	400	356	400	400	4 445	4 890	5 379
Service charges - other	-	-	-	-	-	-	100	75	75	-	-	-	250	275	303
Rental of facilities and equipment	126	167	146	188	335	105	126	251	188	146	126	188	2 093	2 302	2 532
Interest earned - external investments	40	180	120	200	100	400	120	140	600	60	20	20	2 000	2 200	2 420
Interest earned - outstanding debtors	125	125	125	125	125	125	125	125	125	125	125	131	1 500	1 650	1 815
Dividends received													-	-	-
Fines	149	132	83	99	132	149	198	66	215	165	149	116	1 650	1 815	1 997
Licences and permits			47										47	51	57
Agency services	1 888	1 652	2 124	1 888	2 361	1 888	2 597	2 124	1 888	1 652	1 416	2 124	23 605	25 966	28 562
Transfers recognised - operational	111 339	-	-	-	109 039	-	-	-	54 519	-	-	-	274 896	284 753	306 075
Other revenue	384	384	384	384	384	384	384	384	384	384	384	402	4 621	5 054	5 527
Gains on disposal of PPE													-	-	-
<b>Total Revenue (excluding capital transfers and</b>	<b>124 568</b>	<b>14 950</b>	<b>13 057</b>	<b>12 643</b>	<b>124 042</b>	<b>14 956</b>	<b>20 403</b>	<b>17 179</b>	<b>70 870</b>	<b>16 095</b>	<b>16 490</b>	<b>16 395</b>	<b>461 647</b>	<b>490 149</b>	<b>531 978</b>
<b>Expenditure By Type</b>															
Employee related costs	14 223	14 223	14 223	14 223	28 445	14 223	14 223	14 223	14 223	14 223	14 223	14 223	184 894	195 252	205 915
Remuneration of councillors	1 450	1 450	1 450	1 450	1 450	1 450	1 450	1 450	1 450	1 450	1 450	1 450	17 404	18 523	19 523
Debt impairment													13 175	13 913	14 664
Depreciation & asset impairment													54 720	57 784	60 905
Finance charges			355			355			355				355	1 420	1 580
Bulk purchases	5 243	5 243	5 243	5 243	5 243	5 243	5 243	5 243	5 243	5 243	5 243	5 243	62 921	66 444	70 032
Other materials	90	90	90	90	90	90	90	90	90	90	90	90	1 085	1 146	1 208
Contracted services	872	872	872	872	872	872	872	872	872	872	872	872	10 470	11 056	11 670
Transfers and grants	550	550	550	550	550	550	750	550	550	550	550	550	6 798	7 469	8 206
Other expenditure	11 110	11 110	11 110	11 110	11 110	11 110	11 110	11 110	11 110	11 110	11 110	11 110	133 321	139 093	144 556
Loss on disposal of PPE													-	-	-
<b>Total Expenditure</b>	<b>33 539</b>	<b>33 539</b>	<b>33 894</b>	<b>33 539</b>	<b>47 762</b>	<b>33 894</b>	<b>33 739</b>	<b>33 539</b>	<b>33 894</b>	<b>33 539</b>	<b>33 539</b>	<b>101 789</b>	<b>486 206</b>	<b>512 180</b>	<b>538 260</b>
<b>Surplus/(Deficit)</b>	<b>91 029</b>	<b>(18 589)</b>	<b>(20 837)</b>	<b>(20 896)</b>	<b>76 280</b>	<b>(18 938)</b>	<b>(13 336)</b>	<b>(16 360)</b>	<b>36 976</b>	<b>(17 444)</b>	<b>(17 049)</b>	<b>(85 394)</b>	<b>(24 559)</b>	<b>(22 031)</b>	<b>(6 282)</b>
Transfers recognised - capital	57 853				57 853				28 927				144 633	146 278	161 339
Contributions recognised - capital													-	-	-
Contributed assets													-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>148 882</b>	<b>(18 589)</b>	<b>(20 837)</b>	<b>(20 896)</b>	<b>134 133</b>	<b>(18 938)</b>	<b>(13 336)</b>	<b>(16 360)</b>	<b>65 902</b>	<b>(17 444)</b>	<b>(17 049)</b>	<b>(85 394)</b>	<b>120 074</b>	<b>124 247</b>	<b>155 058</b>
Taxation													-	-	-
Attributable to minorities													-	-	-
Share of surplus/ (deficit) of associate													-	-	-
<b>Surplus/(Deficit)</b>	<b>148 882</b>	<b>(18 589)</b>	<b>(20 837)</b>	<b>(20 896)</b>	<b>134 133</b>	<b>(18 938)</b>	<b>(13 336)</b>	<b>(16 360)</b>	<b>65 902</b>	<b>(17 444)</b>	<b>(17 049)</b>	<b>(85 394)</b>	<b>120 074</b>	<b>124 247</b>	<b>155 058</b>

## SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>															
<b>Revenue by Vote</b>															
Vote1 - EXECUTIVE & COUNCIL												—	—	—	—
Vote 2 - BUDGET & TREASURY OFFICE	54 342	6 336	4 792	4 872	54 329	6 556	9 244	8 522	31 163	7 700	7 660	7 671	203 186	219 799	238 494
Vote 3 - CORPORATE SERVICES	181	223	202	244	391	160	181	307	244	202	181	247	2 764	3 011	3 279
Vote 4 - PLANNING & DEVELOPMENT	83	83	130	83	83	83	83	83	83	83	83	87	1 048	1 152	1 268
Vote 5 - COMMUNITY & SOCIAL SERVICES	11 435	2 327	2 750	2 530	11 757	2 580	3 437	2 630	7 148	2 316	2 107	2 789	53 806	57 080	62 213
Vote 6 - INFRASTRUCTURE & DEVELOPMENT	58 526	5 981	5 183	4 914	57 483	5 578	7 457	5 637	32 231	5 794	6 458	5 601	200 843	209 105	226 723
<b>Total Revenue by Vote</b>	<b>124 568</b>	<b>14 950</b>	<b>13 057</b>	<b>12 643</b>	<b>124 042</b>	<b>14 956</b>	<b>20 403</b>	<b>17 179</b>	<b>70 870</b>	<b>16 095</b>	<b>16 490</b>	<b>16 395</b>	<b>461 647</b>	<b>490 149</b>	<b>531 978</b>
<b>Expenditure by Vote to be appropriated</b>															
Vote1 - EXECUTIVE & COUNCIL	2 280	2 280	2 280	2 280	2 764	2 280	2 280	2 280	2 280	2 280	2 280	2 280	27 843	29 547	31 143
Vote 2 - BUDGET & TREASURY OFFICE	3 585	3 585	3 585	3 585	4 876	3 585	3 585	3 585	3 585	3 585	3 585	71 480	112 207	118 796	125 897
Vote 3 - CORPORATE SERVICES	2 593	2 593	2 593	2 593	3 832	2 593	2 793	2 593	2 593	2 593	2 593	2 593	32 554	34 261	36 227
Vote 4 - PLANNING & DEVELOPMENT	1 405	1 405	1 405	1 405	2 120	1 405	1 405	1 405	1 405	1 405	1 405	1 405	17 578	19 037	14 349
Vote 5 - COMMUNITY & SOCIAL SERVICES	7 835	7 835	7 835	7 835	12 068	7 835	7 835	7 835	7 835	7 835	7 835	7 835	98 250	101 530	106 885
Vote 6 - INFRASTRUCTURE & DEVELOPMENT	15 841	15 841	16 196	15 841	22 100	16 196	15 841	15 841	16 196	15 841	15 841	16 196	197 774	209 009	223 759
<b>Total Expenditure by Vote</b>	<b>33 539</b>	<b>33 539</b>	<b>33 894</b>	<b>33 539</b>	<b>47 762</b>	<b>33 894</b>	<b>33 739</b>	<b>33 539</b>	<b>33 894</b>	<b>33 539</b>	<b>33 539</b>	<b>101 789</b>	<b>486 206</b>	<b>512 180</b>	<b>538 260</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>91 029</b>	<b>(18 589)</b>	<b>(20 837)</b>	<b>(20 896)</b>	<b>76 280</b>	<b>(18 938)</b>	<b>(13 336)</b>	<b>(16 360)</b>	<b>36 976</b>	<b>(17 444)</b>	<b>(17 049)</b>	<b>(85 394)</b>	<b>(24 559)</b>	<b>(22 031)</b>	<b>(6 282)</b>
Taxation												—	—	—	—
Attributable to minorities												—	—	—	—
Share of surplus/ (deficit) of associate												—	—	—	—
<b>Surplus/(Deficit)</b>	<b>91 029</b>	<b>(18 589)</b>	<b>(20 837)</b>	<b>(20 896)</b>	<b>76 280</b>	<b>(18 938)</b>	<b>(13 336)</b>	<b>(16 360)</b>	<b>36 976</b>	<b>(17 444)</b>	<b>(17 049)</b>	<b>(85 394)</b>	<b>(24 559)</b>	<b>(22 031)</b>	<b>(6 282)</b>

## SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>															
<b>Revenue - Standard</b>															
<i>Governance and administration</i>	54 524	6 559	4 994	5 116	54 719	6 716	9 425	8 829	31 407	7 902	7 841	7 917	205 950	222 810	241 773
Executive and council													—	—	—
Budget and treasury office	54 342	6 336	4 792	4 872	54 329	6 556	9 244	8 522	31 163	7 700	7 660	7 671	203 186	219 799	238 494
Corporate services	181	223	202	244	391	160	181	307	244	202	181	247	2 764	3 011	3 279
<i>Community and public safety</i>	159	142	93	109	142	159	308	151	300	175	159	126	2 024	2 227	2 449
Community and social services	9	9	9	9	9	9	9	9	9	9	9	10	111	122	134
Sport and recreation													—	—	—
Public safety	150	133	84	100	133	150	299	142	291	166	150	117	1 913	2 104	2 315
Housing													—	—	—
Health													—	—	—
<i>Economic and environmental services</i>	3 741	1 872	2 390	2 108	4 213	2 108	2 816	2 344	2 924	1 872	1 636	2 354	30 378	33 231	36 496
Planning and development	1 716	83	130	83	1 716	83	83	83	900	83	83	87	5 131	5 460	5 948
Road transport	1 892	1 656	2 128	1 892	2 365	1 892	2 601	2 128	1 892	1 656	1 420	2 129	23 654	26 019	28 621
Environmental protection	132	132	132	132	132	132	132	132	132	132	132	139	1 593	1 752	1 927
<i>Trading services</i>	66 144	6 377	5 579	5 310	64 967	5 974	7 853	5 855	36 238	6 146	6 854	5 997	223 295	231 881	251 259
Electricity	21 156	4 056	3 042	3 549	20 142	4 056	5 070	4 056	12 352	4 056	4 563	3 549	89 646	97 479	106 148
Water	35 465	1 683	1 869	1 123	35 465	1 309	2 056	1 309	18 761	1 496	1 683	1 869	104 088	103 990	112 232
Waste water management	268	238	268	238	238	208	328	268	298	238	208	179	2 978	3 276	3 604
Waste management	9 255	400	400	400	9 122	400	400	222	4 828	356	400	400	26 583	27 136	29 274
<i>Other</i>													—	—	—
<b>Total Revenue - Standard</b>	<b>124 568</b>	<b>14 950</b>	<b>13 057</b>	<b>12 643</b>	<b>124 042</b>	<b>14 956</b>	<b>20 403</b>	<b>17 179</b>	<b>70 870</b>	<b>16 095</b>	<b>16 490</b>	<b>16 395</b>	<b>461 647</b>	<b>490 149</b>	<b>531 978</b>
		19 098	16 238	16 284	145 910	19 105	25 565	21 328	84 131	20 243	21 145				
<b>Expenditure - Standard</b>															
<i>Governance and administration</i>	8 458	8 458	8 458	8 458	11 473	8 458	8 658	8 458	8 458	8 458	8 458	76 353	172 604	182 604	193 267
Executive and council	2 280	2 280	2 280	2 280	2 764	2 280	2 280	2 280	2 280	2 280	2 280	2 280	27 843	29 547	31 143
Budget and treasury office	3 585	3 585	3 585	3 585	4 876	3 585	3 585	3 585	3 585	3 585	3 585	71 480	112 207	118 796	125 897
Corporate services	2 593	2 593	2 593	2 593	3 832	2 593	2 793	2 593	2 593	2 593	2 593	2 593	32 593	34 261	36 227
<i>Community and public safety</i>	1 975	1 975	1 975	1 975	2 661	1 975	1 975	1 975	1 975	1 975	1 975	1 975	24 387	25 686	27 027
Community and social services	385	385	385	385	385	385	385	385	385	385	385	385	4 619	4 878	5 141
Sport and recreation	9	9	9	9	9	9	9	9	9	9	9	9	111	118	124
Public safety	1 581	1 581	1 581	1 581	2 266	1 581	1 581	1 581	1 581	1 581	1 581	1 581	19 657	20 690	21 761
Housing													—	—	—
Health													—	—	—
<i>Economic and environmental services</i>	7 521	7 521	7 521	7 521	11 378	7 521	7 521	7 521	7 521	7 521	7 521	7 521	94 109	99 569	99 259
Planning and development	3 511	3 511	3 511	3 511	5 149	3 511	3 511	3 511	3 511	3 511	3 511	3 511	43 769	46 387	43 178
Road transport	3 607	3 607	3 607	3 607	5 470	3 607	3 607	3 607	3 607	3 607	3 607	3 607	45 151	47 703	50 307
Environmental protection	403	403	403	403	759	403	403	403	403	403	403	403	5 188	5 479	5 775
<i>Trading services</i>	15 585	15 585	15 940	15 585	22 250	15 940	15 585	15 585	15 940	15 585	15 585	15 940	195 106	204 321	218 706
Electricity	6 294	6 294	6 294	6 294	6 879	6 294	6 294	6 294	6 294	6 294	6 294	6 294	76 115	80 032	84 353
Water	6 596	6 596	6 951	6 596	12 676	6 951	6 596	6 596	6 951	6 596	6 596	5 421	85 122	90 391	98 732
Waste water management	175	175	175	175	175	175	175	175	175	175	175	238	2 162	2 286	2 409
Waste management	2 520	2 520	2 520	2 520	2 520	2 520	2 520	2 520	2 520	2 520	2 520	3 987	31 708	31 613	33 212
<i>Other</i>													—	—	—
<b>Total Expenditure - Standard</b>	<b>33 539</b>	<b>33 539</b>	<b>33 894</b>	<b>33 539</b>	<b>47 762</b>	<b>33 894</b>	<b>33 739</b>	<b>33 539</b>	<b>33 894</b>	<b>33 539</b>	<b>33 539</b>	<b>101 789</b>	<b>486 206</b>	<b>512 180</b>	<b>538 260</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>91 029</b>	<b>(18 589)</b>	<b>(20 837)</b>	<b>(20 896)</b>	<b>76 280</b>	<b>(18 938)</b>	<b>(13 336)</b>	<b>(16 360)</b>	<b>36 976</b>	<b>(17 444)</b>	<b>(17 049)</b>	<b>(85 394)</b>	<b>(24 559)</b>	<b>(22 031)</b>	<b>(6 282)</b>
Share of surplus/ (deficit) of associate													—	—	—
<b>Surplus/(Deficit)</b>	<b>91 029</b>	<b>(18 589)</b>	<b>(20 837)</b>	<b>(20 896)</b>	<b>76 280</b>	<b>(18 938)</b>	<b>(13 336)</b>	<b>(16 360)</b>	<b>36 976</b>	<b>(17 444)</b>	<b>(17 049)</b>	<b>(85 394)</b>	<b>(24 559)</b>	<b>(22 031)</b>	<b>(6 282)</b>

## SA28 - Budgeted monthly capital expenditure (municipal vote)

Description R thousand	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Multi-year expenditure to be appropriated</b>															
Vote 1 - EXECUTIVE & COUNCIL												-	-	-	-
Vote 2 - BUDGET & TREASURY OFFICE												-	-	-	-
Vote 3 - CORPORATE SERVICES					200	200	200					-	600	-	-
Vote 4 - PLANNING & DEVELOPMENT												-	-	-	-
Vote 5 - COMMUNITY & SOCIAL SERVICES	397	397	397	397	397	397	397	397	397	397	397	1 597	5 961	2 000	2 000
Vote 6 - INFRASTRUCTURE & DEVELOPMENT	8 489	8 489	8 489	8 489	8 489	8 489	8 489	8 489	8 489	8 489	8 489	8 704	102 089	70 719	75 289
<b>Capital multi-year expenditure sub-total</b>	<b>8 886</b>	<b>8 886</b>	<b>8 886</b>	<b>8 886</b>	<b>9 086</b>	<b>9 086</b>	<b>9 086</b>	<b>8 886</b>	<b>8 886</b>	<b>8 886</b>	<b>8 886</b>	<b>10 301</b>	<b>108 650</b>	<b>72 719</b>	<b>77 289</b>
<b>Single-year expenditure to be appropriated</b>															
Vote 1 - EXECUTIVE & COUNCIL			100	100	186							-	386	-	-
Vote 2 - BUDGET & TREASURY OFFICE			100	141								-	241	95	-
Vote 3 - CORPORATE SERVICES	319	319	319	319	319	319	319	319	319	319	319	319	3 828	730	156
Vote 4 - PLANNING & DEVELOPMENT		83	75	127	127	127						-	538	790	-
Vote 5 - COMMUNITY & SOCIAL SERVICES	1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	18 552	8 639	8 725
Vote 6 - INFRASTRUCTURE & DEVELOPMENT	4 446	4 446	4 446	4 446	4 446	4 446	4 446	4 446	4 446	4 446	4 446	4 446	53 352	94 085	109 465
<b>Capital single-year expenditure sub-total</b>	<b>6 311</b>	<b>6 394</b>	<b>6 586</b>	<b>6 679</b>	<b>6 624</b>	<b>6 438</b>	<b>6 311</b>	<b>6 311</b>	<b>6 311</b>	<b>6 311</b>	<b>6 311</b>	<b>6 311</b>	<b>76 897</b>	<b>104 339</b>	<b>118 346</b>
<b>Total Capital Expenditure</b>	<b>15 197</b>	<b>15 280</b>	<b>15 472</b>	<b>15 565</b>	<b>15 710</b>	<b>15 524</b>	<b>15 397</b>	<b>15 197</b>	<b>15 197</b>	<b>15 197</b>	<b>15 197</b>	<b>16 612</b>	<b>185 547</b>	<b>177 058</b>	<b>195 635</b>

## SA29 - Budgeted monthly capital expenditure (standard classification)

Description R thousand	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Capital Expenditure - Standard</b>															
<i>Governance and administration</i>	319	319	519	560	705	519	519	319	319	319	319	319	5 055	825	156
Executive and council			100	100	186							–	386	–	–
Budget and treasury office			100	141								–	241	95	–
Corporate services	319	319	319	319	519	519	519	319	319	319	319	319	4 428	730	156
<i>Community and public safety</i>	139	139	139	139	139	139	139	139	139	139	139	139	1 668	1 570	2 300
Community and social services	55	55	55	55	55	55	55	55	55	55	55	55	663	270	–
Sport and recreation												–	–	–	–
Public safety	84	84	84	84	84	84	84	84	84	84	84	84	1 005	1 300	2 300
Housing												–	–	–	–
Health												–	–	–	–
<i>Economic and environmental services</i>	2 185	2 268	2 260	2 311	2 311	2 311	2 185	2 185	2 185	2 185	2 185	2 185	26 756	38 262	57 950
Planning and development	917	1 000	992	1 044	1 044	1 044	917	917	917	917	917	917	11 541	6 249	370
Road transport	1 196	1 196	1 196	1 196	1 196	1 196	1 196	1 196	1 196	1 196	1 196	1 196	14 354	31 268	57 580
Environmental protection	72	72	72	72	72	72	72	72	72	72	72	72	860	745	–
<i>Trading services</i>	12 672	12 672	12 672	12 672	12 672	12 672	12 672	12 672	12 672	12 672	12 672	12 672	152 069	136 401	135 230
Electricity	2 236	2 236	2 236	2 236	2 236	2 236	2 236	2 236	2 236	2 236	2 236	2 236	26 830	21 935	26 085
Water	8 754	8 754	8 754	8 754	8 754	8 754	8 754	8 754	8 754	8 754	8 754	8 754	105 042	96 666	85 145
Waste water management	833	833	833	833	833	833	833	833	833	833	833	833	10 000	15 000	16 000
Waste management	850	850	850	850	850	850	850	850	850	850	850	850	10 197	2 800	8 000
<i>Other</i>												–	–	–	–
<b>Total Capital Expenditure - Standard</b>	<b>15 315</b>	<b>15 398</b>	<b>15 590</b>	<b>15 683</b>	<b>15 828</b>	<b>15 642</b>	<b>15 515</b>	<b>15 315</b>	<b>15 315</b>	<b>15 315</b>	<b>15 315</b>	<b>15 315</b>	<b>185 547</b>	<b>177 058</b>	<b>195 635</b>

## SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Cash Receipts By Source</b>													1		
Property rates	2 747	5 494	4 120	4 120	4 807	5 494	8 241	7 554	5 494	6 867	6 867	7 067	68 872	75 993	83 851
Property rates - penalties & collection charges	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - electricity revenue	5 160	3 753	2 815	3 284	4 222	3 753	4 691	3 753	4 222	3 753	4 222	3 284	46 909	51 599	56 759
Service charges - water revenue	1 209	1 555	1 727	1 036	1 209	1 209	1 900	1 209	1 555	1 382	1 555	1 727	17 273	19 000	20 900
Service charges - sanitation revenue	248	220	248	220	220	193	303	248	276	220	193	165	2 756	3 032	3 335
Service charges - refuse revenue	370	370	370	370	247	370	370	206	370	329	370	370	4 114	4 525	4 978
Service charges - other	—	—	—	—	—	—	93	69	—	—	—	—	231	254	280
Rental of facilities and equipment	116	155	136	174	310	97	116	232	174	136	116	174	1 936	2 130	2 343
Interest earned - external investments	37	167	111	185	93	370	111	130	555	56	19	19	1 851	2 036	2 240
Interest earned - outstanding debtors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines	137	122	76	92	122	137	183	61	199	153	137	107	1 527	1 680	1 848
Licences and permits	—	—	43	—	—	—	—	—	—	—	—	—	43	48	52
Agency services	1 748	1 529	1 966	1 748	2 184	1 748	2 403	1 966	1 748	1 529	1 311	1 966	21 845	24 029	26 432
Transfer receipts - operational	111 339	—	—	—	109 039	—	—	—	54 519	—	—	—	274 896	284 753	306 075
Other revenue	355	355	355	355	355	355	355	355	355	355	355	372	4 277	4 677	5 114
<b>Cash Receipts by Source</b>	<b>123 466</b>	<b>13 720</b>	<b>11 968</b>	<b>11 585</b>	<b>122 808</b>	<b>13 726</b>	<b>18 766</b>	<b>15 783</b>	<b>69 535</b>	<b>14 779</b>	<b>15 145</b>	<b>15 251</b>	<b>446 530</b>	<b>473 756</b>	<b>514 207</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	57 853	—	—	—	57 853	—	—	—	28 927	—	—	—	144 633	146 278	161 339
Contributions recognised - capital & Contributed assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on disposal of PPE	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Short term loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current debtors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) other non-current receivables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Cash Receipts by Source</b>	<b>181 319</b>	<b>13 720</b>	<b>11 968</b>	<b>11 585</b>	<b>180 661</b>	<b>13 726</b>	<b>18 766</b>	<b>15 783</b>	<b>98 462</b>	<b>14 779</b>	<b>15 145</b>	<b>15 251</b>	<b>591 163</b>	<b>620 035</b>	<b>675 546</b>
<b>Cash Payments by Type</b>															
Employee related costs	14 223	14 223	14 223	14 223	28 445	14 223	14 223	14 223	14 223	14 223	14 223	14 223	184 894	195 252	205 915
Remuneration of councillors	1 450	1 450	1 450	1 450	1 450	1 450	1 450	1 450	1 450	1 450	1 450	1 450	17 404	18 523	19 523
Finance charges	—	—	355	—	—	—	—	—	—	—	—	—	1 420	1 499	1 580
Bulk purchases - Electricity	5 135	5 135	5 135	5 135	5 135	5 135	5 135	5 135	5 135	5 135	5 135	5 135	61 619	65 070	68 584
Bulk purchases - Water & Sewer	108	108	108	108	108	108	108	108	108	108	108	108	1 301	1 374	1 449
Other materials	90	90	90	90	90	90	90	90	90	90	90	90	1 085	1 146	1 208
Contracted services	872	872	872	872	872	872	872	872	872	872	872	872	10 470	11 056	11 670
Transfers and grants - other municipalities	550	550	550	550	550	550	750	550	550	550	550	550	6 798	7 469	8 206
Transfers and grants - other	11 110	11 110	11 110	11 110	11 110	11 110	11 110	11 110	11 110	11 110	11 110	11 110	133 321	139 093	144 556
Other expenditure	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Cash Payments by Type</b>	<b>33 539</b>	<b>33 539</b>	<b>33 894</b>	<b>33 539</b>	<b>47 762</b>	<b>33 894</b>	<b>33 739</b>	<b>33 539</b>	<b>33 894</b>	<b>33 539</b>	<b>33 539</b>	<b>33 894</b>	<b>418 311</b>	<b>440 483</b>	<b>462 691</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	15 197	15 280	15 472	15 565	15 710	15 524	15 397	15 197	15 197	15 197	15 197	16 612	185 547	177 058	195 635
Repayment of borrowing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Cash Flow s/Payments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Cash Payments by Type</b>	<b>48 736</b>	<b>48 819</b>	<b>49 366</b>	<b>49 104</b>	<b>63 472</b>	<b>49 418</b>	<b>49 136</b>	<b>48 736</b>	<b>49 091</b>	<b>48 736</b>	<b>48 736</b>	<b>50 506</b>	<b>603 858</b>	<b>617 541</b>	<b>658 326</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>132 583</b>	<b>(35 100)</b>	<b>(37 399)</b>	<b>(37 519)</b>	<b>117 189</b>	<b>(35 692)</b>	<b>(30 370)</b>	<b>(32 953)</b>	<b>49 371</b>	<b>(33 957)</b>	<b>(33 592)</b>	<b>(35 255)</b>	<b>(12 695)</b>	<b>2 494</b>	<b>17 220</b>
Cash/cash equivalents at the month/year begin:	132 583	132 583	97 483	60 084	22 565	139 754	104 062	73 692	40 738	90 109	56 152	22 560	—	(12 695)	(10 201)
Cash/cash equivalents at the month/year end:	132 583	97 483	60 084	22 565	139 754	104 062	73 692	40 738	90 109	56 152	22 560	(12 695)	(12 695)	(10 201)	7 019



## **2.5 Contracts having future budgetary implications**

In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

## **2.6 Capital expenditure details**

The following three tables present details of the municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

# SA 34a - Capital expenditure on new assets by asset class

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>59 083</b>	<b>47 134</b>	<b>51 967</b>	<b>66 583</b>	<b>66 583</b>	<b>66 583</b>	<b>39 842</b>	<b>45 105</b>	<b>39 000</b>
Infrastructure - Road transport	39 532	–	18 484	23 790	23 790	23 790	–	13 500	–
Roads, Pavements & Bridges	39 532	–	18 484	23 790	23 790	23 790	–	13 500	–
Storm water	–	–	–	–	–	–	–	–	–
Infrastructure - Electricity	6 045	14 792	7 850	19 383	19 383	19 383	14 600	9 000	12 000
Generation	–	–	–	–	–	–	–	–	–
Transmission & Reticulation	6 045	14 792	7 850	19 383	19 383	19 383	14 600	9 000	12 000
Street Lighting	–	–	–	–	–	–	–	–	–
Infrastructure - Water	13 505	32 342	23 259	13 410	13 410	13 410	14 042	6 605	10 000
Dams & Reservoirs	–	–	–	13 410	13 410	13 410	–	–	–
Water purification	–	–	–	–	–	–	–	–	–
Reticulation	13 505	32 342	23 259	–	–	–	14 042	6 605	10 000
Infrastructure - Sanitation	–	–	2 375	10 000	10 000	10 000	10 000	15 000	16 000
Reticulation	–	–	2 375	10 000	10 000	10 000	10 000	15 000	16 000
Sewerage purification	–	–	–	–	–	–	–	–	–
Infrastructure - Other	–	–	–	–	–	–	1 200	1 000	1 000
Waste Management	–	–	–	–	–	–	1 200	1 000	1 000
Transportation	–	–	–	–	–	–	–	–	–
Gas	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
<b>Community</b>	<b>245</b>	<b>131</b>	<b>–</b>	<b>5 048</b>	<b>5 048</b>	<b>5 048</b>	<b>–</b>	<b>–</b>	<b>156</b>
Parks & gardens	–	–	–	–	–	–	–	–	–
Sportsfields & stadia	–	–	–	–	–	–	–	–	–
Swimming pools	–	–	–	–	–	–	–	–	–
Community halls	–	–	–	1 638	1 638	1 638	–	–	–
Libraries	–	–	–	–	–	–	–	–	–
Recreational facilities	–	–	–	–	–	–	–	–	–
Fire, safety & emergency	245	–	–	1 010	1 010	1 010	–	–	156
Security and policing	–	–	–	–	–	–	–	–	–
Buses	–	–	–	–	–	–	–	–	–
Clinics	–	–	–	–	–	–	–	–	–
Museums & Art Galleries	–	–	–	–	–	–	–	–	–
Cemeteries	–	–	–	–	–	–	–	–	–
Social rental housing	–	–	–	–	–	–	–	–	–
Other	–	131	–	2 400	2 400	2 400	–	–	–
<b>Heritage assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Buildings	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
<b>Investment properties</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Housing development	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
<b>Other assets</b>	<b>8 955</b>	<b>13 738</b>	<b>15 038</b>	<b>12 537</b>	<b>12 537</b>	<b>12 537</b>	<b>16 414</b>	<b>14 559</b>	<b>17 040</b>
General vehicles	726	1 790	7 589	700	700	700	1 530	2 210	1 820
Specialised vehicles	36	–	–	6 100	6 100	6 100	3 300	1 800	6 000
Plant & equipment	1 416	3 777	5 563	942	942	942	5 173	7 824	8 340
Computers - hardware/equipment	5 719	1 427	764	46	46	46	548	65	15
Furniture and other office equipment	958	681	1 121	50	50	50	785	220	55
Abattoirs	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	200	–	–
Civic Land and Buildings	–	–	–	–	–	–	–	–	–
Other Buildings	–	5 638	–	–	–	–	750	1 400	150
Other Land	–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)	–	–	–	–	–	–	–	–	–
Other	100	425	–	4 699	4 699	4 699	4 129	1 040	660
<b>Agricultural assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
List sub-class	–	–	–	–	–	–	–	–	–
<b>Biological assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
List sub-class	–	–	–	–	–	–	–	–	–
<b>Intangibles</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 900</b>	<b>1 900</b>	<b>1 900</b>	<b>–</b>	<b>–</b>	<b>–</b>
Computers - software & programming	–	–	–	–	–	–	–	–	–
Comprehensive Infrastructure, roads and stormwater plan	–	–	–	400	400	400	–	–	–
Cost recovery	–	–	–	1 500	1 500	1 500	–	–	–
<b>Total Capital Expenditure on new assets</b>	<b>68 283</b>	<b>61 003</b>	<b>67 005</b>	<b>86 067</b>	<b>86 067</b>	<b>86 067</b>	<b>56 256</b>	<b>59 664</b>	<b>56 196</b>

## SA34b - Capital expenditure on the renewal of existing assets by asset class

Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	47 249	68 203	46 050	64 879	64 879	64 879	118 456	112 273	139 339
Infrastructure - Road transport	–	1 550	17 059	600	600	600	12 988	12 528	52 200
Roads, Pavements & Bridges		1 550	17 059	600	600	600	12 988	12 528	52 200
Storm water									
Infrastructure - Electricity	439	–	–	6 200	6 200	6 200	11 000	11 300	13 000
Generation									
Transmission & Reticulation	439	–		6 200	6 200	6 200	10 700	11 000	12 500
Street Lighting							300	300	500
Infrastructure - Water	46 597	64 128	28 991	58 079	58 079	58 079	88 601	87 446	73 140
Dams & Reservoirs	2 998	989					7 992		5 000
Water purification		4 947							
Reticulation	43 599	58 191	28 991	58 079	58 079	58 079	80 609	87 446	68 140
Infrastructure - Sanitation	213	556	–	–	–	–	–	–	–
Reticulation		556							
Sewerage purification	213								
Infrastructure - Other	–	1 970	–	–	–	–	5 868	1 000	1 000
Waste Management		1 970					5 868	1 000	1 000
Transportation									
Gas									
Other									
<b>Community</b>	–	211	3 658	4 200	4 200	4 200	10 234	5 000	–
Parks & gardens		211					5 473		
Sportsfields & stadia									
Swimming pools									
Community halls			3 658	4 200	4 200	4 200	4 761	5 000	
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other									
<b>Heritage assets</b>	–	–	–	–	–	–	–	–	–
Buildings									
Other									
<b>Investment properties</b>	–	–	–	–	–	–	–	–	–
Housing development									
Other									
<b>Other assets</b>	256	808	–	750	750	750	600	120	100
General vehicles									
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment									
Computers - hardware/equipment									
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings	256	808		750	750	750			
Other Land									
Surplus Assets - (Investment or Inventory)									
Other							600	120	100
<b>Agricultural assets</b>	–	–	–	–	–	–	–	–	–
List sub-class									
<b>Biological assets</b>	–	–	–	–	–	–	–	–	–
List sub-class									
<b>Intangibles</b>	–	–	–	–	–	–	–	–	–
Computers - software & programming									
Other (list sub-class)									
<b>Total Capital Expenditure on renewal of existing</b>	<b>47 505</b>	<b>69 223</b>	<b>49 708</b>	<b>69 829</b>	<b>69 829</b>	<b>69 829</b>	<b>129 291</b>	<b>117 393</b>	<b>139 439</b>
<b>Specialised vehicles</b>	–	–	–	–	–	–	–	–	–
Refuse									
Fire									
Conservancy									
Ambulances									

## SA34c - Repairs and maintenance expenditure by asset class

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>71 741</b>	<b>111 368</b>	<b>–</b>	<b>120 101</b>	<b>120 101</b>	<b>120 101</b>	<b>113 507</b>	<b>124 770</b>	<b>134 859</b>
Infrastructure - Road transport	9 174	14 420	–	20 041	20 041	20 041	19 131	20 203	21 293
Roads, Pavements & Bridges	9 174	14 420	–	20 041	20 041	20 041	19 131	20 203	21 293
Storm water	–	–	–	–	–	–	–	–	–
Infrastructure - Electricity	3 521	5 000	–	7 433	7 433	7 433	9 495	10 027	10 569
Generation	–	–	–	–	–	–	–	–	–
Transmission & Reticulation	3 521	5 000	–	7 433	7 433	7 433	9 495	10 027	10 569
Street Lighting	–	–	–	–	–	–	–	–	–
Infrastructure - Water	48 643	76 692	–	70 716	70 716	70 716	60 861	69 285	76 487
Dams & Reservoirs	–	–	–	–	–	–	–	–	–
Water purification	18 062	39 059	–	21 729	21 729	21 729	60 861	69 285	76 487
Reticulation	30 581	37 632	–	48 987	48 987	48 987	–	–	–
Infrastructure - Sanitation	1 200	1 860	–	2 351	2 351	2 351	1 736	1 835	1 935
Reticulation	1 175	1 821	–	2 320	2 320	2 320	1 736	1 835	1 935
Sewerage purification	25	39	–	31	31	31	–	–	–
Infrastructure - Other	9 204	13 396	–	19 560	19 560	19 560	22 283	23 419	24 576
Waste Management	9 204	13 396	–	19 560	19 560	19 560	22 283	23 419	24 576
Transportation	–	–	–	–	–	–	–	–	–
Gas	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
<b>Community</b>	<b>36</b>	<b>13</b>	<b>–</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>43</b>	<b>45</b>	<b>48</b>
Parks & gardens	36	13	–	40	40	40	43	45	48
Sportsfields & stadia	–	–	–	–	–	–	–	–	–
Swimming pools	–	–	–	–	–	–	–	–	–
Community halls	–	–	–	–	–	–	–	–	–
Libraries	–	–	–	–	–	–	–	–	–
Recreational facilities	–	–	–	–	–	–	–	–	–
Fire, safety & emergency	–	–	–	–	–	–	–	–	–
Security and policing	–	–	–	–	–	–	–	–	–
Buses	–	–	–	–	–	–	–	–	–
Clinics	–	–	–	–	–	–	–	–	–
Museums & Art Galleries	–	–	–	–	–	–	–	–	–
Cemeteries	–	–	–	–	–	–	–	–	–
Social rental housing	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
<b>Heritage assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Buildings	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
<b>Investment properties</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Housing development	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
<b>Other assets</b>	<b>7 215</b>	<b>11 592</b>	<b>–</b>	<b>6 594</b>	<b>6 594</b>	<b>6 594</b>	<b>6 637</b>	<b>7 009</b>	<b>7 388</b>
General vehicles	3 586	7 792	–	4 882	4 882	4 882	619	655	690
Specialised vehicles	–	–	–	–	–	–	1 959	2 069	2 181
Plant & equipment	–	–	–	–	–	–	2 901	3 063	3 228
Computers - hardware/equipment	115	25	–	–	–	–	59	62	66
Furniture and other office equipment	313	376	–	242	242	242	167	177	186
Abattoirs	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Civic Land and Buildings	–	–	–	–	–	–	–	–	–
Other Buildings	868	1 628	–	850	850	850	895	946	997
Other Land	–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)	–	–	–	–	–	–	–	–	–
Other	2 334	1 771	–	621	621	621	35	37	40
<b>Agricultural assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
List sub-class	–	–	–	–	–	–	–	–	–
<b>Biological assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
List sub-class	–	–	–	–	–	–	–	–	–
<b>Intangibles</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Computers - software & programming	–	–	–	–	–	–	–	–	–
Other (list sub-class)	–	–	–	–	–	–	–	–	–
<b>Total Repairs and Maintenance Expenditure</b>	<b>78 992</b>	<b>122 974</b>	<b>–</b>	<b>126 736</b>	<b>126 736</b>	<b>126 736</b>	<b>120 186</b>	<b>131 824</b>	<b>142 295</b>

## SA34d - Depreciation by asset class

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>									
<b>Depreciation by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	22 178	23 297	28 361	5 329	37 191	37 191	39 207	41 402	43 638
Infrastructure - Road transport	6 014	6 028	9 014	1 694	11 820	11 820	12 461	13 159	13 869
Roads, Pavements & Bridges	6 014	6 028	9 014	1 694	11 820	11 820	12 461	13 159	13 869
Storm water									
Infrastructure - Electricity	1 674	1 745	1 767	332	2 317	2 317	2 443	2 579	2 719
Generation									
Transmission & Reticulation	1 674	1 745	1 767	332	2 317	2 317	2 443	2 579	2 719
Street Lighting									
Infrastructure - Water	14 403	15 413	17 394	3 268	22 810	22 810	24 046	25 393	26 764
Dams & Reservoirs									
Water purification									
Reticulation	14 403	15 413	17 394	3 268	22 810	22 810	24 046	25 393	26 764
Infrastructure - Sanitation	82	90	107	20	140	140	148	156	165
Reticulation	82	90	107	20	140	140	148	156	165
Sewerage purification									
Infrastructure - Other	5	21	79	15	104	104	109	115	122
Waste Management	5	21	79	15	104	104	109	115	122
Transportation									
Gas									
Other									
<b>Community</b>	2 989	3 129	3 383	636	4 436	4 436	4 676	4 938	5 205
Parks & gardens									
Sportsfields & stadia									
Swimming pools									
Community halls									
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other	2 989	3 129	3 383	636	4 436	4 436	4 676	4 938	5 205
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Buildings									
Other									
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Housing development									
Other									
<b>Other assets</b>	5 103	6 158	7 800	1 466	10 229	10 229	10 783	11 387	12 002
General vehicles	2 247	2 520	3 231	607	4 236	4 236	4 466	4 716	4 971
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	899	1 033	1 443	271	1 892	1 892	1 995	2 106	2 220
Computers - hardware/equipment	1 449	1 967	2 213	416	2 901	2 901	3 059	3 230	3 404
Furniture and other office equipment	509	637	914	172	1 199	1 199	1 264	1 335	1 407
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other									
<b>Agricultural assets</b>	-	-	-	-	-	-	-	-	-
List sub-class									
<b>Biological assets</b>	-	-	-	-	-	-	-	-	-
List sub-class									
<b>Intangibles</b>	-	3	39	7	51	51	54	57	60
Computers - software & programming		3	39	7	51	51	54	57	60
Other (list sub-class)									
<b>Total Depreciation</b>	30 271	32 587	39 583	7 438	51 907	51 907	54 720	57 784	60 905
<b>Specialised vehicles</b>	-	-	-	-	-	-	-	-	-
Refuse									
Fire									
Conservancy									
Ambulances									

**Table SA35 - Future financial implications of the capital budget**

Vote Description R thousand	2012/13 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Present value
<b>Capital expenditure</b>							
Vote 1 - EXECUTIVE & COUNCIL	386	–	–				
Vote 2 - BUDGET & TREASURY OFFICE	241	95	–				
Vote 3 - CORPORATE SERVICES	4 428	730	156				
Vote 4 - PLANNING & DEVELOPMENT	538	790	–				
Vote 5 - COMMUNITY & SOCIAL SERVICES	24 514	10 639	10 725				
Vote 6 - INFRASTRUCTURE & DEVELOPMENT	155 440	164 803	184 754				
<b>Total Capital Expenditure</b>	<b>185 547</b>	<b>177 058</b>	<b>195 635</b>	–	–	–	–
<b>Net Financial Implications</b>	<b>185 547</b>	<b>177 058</b>	<b>195 635</b>	–	–	–	–

Table SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code 2	Individuality Approved (Yes/No)	Asset Class	Asset Sub-Class	Estimated s	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project information	
									Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
<b>Parent municipality:</b> <i>List all capital projects grouped by Municipal Vote</i>															
<b>Executive and Council</b>															
Mayor and Council	Acquisition of general vehicles			No	Other Assets	General vehicles			173	700	180	—	—	30	new
Mayor and Council	Acquisition of office furniture			No	Other Assets	Furniture and other office equipment			189	4	111	—	—	30	new
Mayor and Council	Provide staff with equipment				Other Assets	Computers - hardware/equipment			—		58	—	—	30	new
					Other Assets	Other			—		37	—	—	new	new
<b>Budget and Treasury</b>															
Finance Department	Provide staff with reliable transport			No	Other	General vehicles			150					30	new
Finance Department	Provide staff with equipment			No	Other	Furniture and other office equipment			10	50	176	—	—	30	new
Finance Department	Provide staff with equipment				Other	Computers - hardware/equipment					65	—	—	30	new
Finance Department	Provide staff with equipment			No	Other	Furniture and other office equipment					—	95	—	30	new
						Cost Recovery (roll over)				1 500	—	—	—	new	new
						Other			76					new	new
<b>Corporate Services</b>															
Corporate Services	Provide Staff with Equipment			No	Other	Plant & equipment			339			—	—	30	new
Corporate Services	Provide Staff with Equipment			No	Other	Furniture and other office equipment			318		290	360	—	30	new
Corporate Services	Provide Staff with Equipment			No	Other	Computers - software & programming				1 500	3 040	—	—	30	new
Corporate Services	Provide Staff with reliable transport			No	Other	General vehicles						—	—	30	new
Corporate Services	Establishment of law library			No	Other	Other Buildings					250	—	—	30	new
Corporate Services	Provide Staff with Equipment			No	Other	Other					77	—	—	30	new
Corporate Services					Other	Buses						400	—	30	new
Corporate Services					Other	Recreational facilities						—	156	30	new
Corporate Services	Provide Staff with Equipment				Other					600		—	—	10	renewal
Corporate Services	Provide Staff with buildings				Other	Extension of Mzinti workshops & Offices				40	600	—	—	new	new
Corporate Services	Provide Staff with Equipment					Fire, safety & emergency				10		40	—	new	new
						Computers - hardware/equipment					160	40	—	new	new
<b>Planning and Development</b>															
Planning and Development	Provide Staff with Equipment				Investment Properties	Other			37 937			—	—	new	new
Planning and Development					Other							—	—	new	new
Planning and Development	Township Establishment				Other Assets	Other				2 400		700	—	1	new
Planning and Development					Other	Markets					380		—	30	new
Planning and Development	Provide staff with reliable equipment				Other	Furniture and other office equipment					45	20	—	24	new
Planning and Development						GIS shared service								19	new
Planning and Development	Provide Staff with Equipment					Computers - hardware/equipment					83			20	new
<b>Community Services</b>															
Community and Social Services	Provide Staff with reliable transport				Community	General vehicles			175					24,4&20	new
Community and Social Services	Provide Staff with reliable transport				Community	Plant & equipment			716	80	55	14	125	24,4&21	new
Community and Social Services					Community	Furniture and other office equipment			99		74	10	—	20,30 & 6	new
Community and Social Services	Provide the with safe building for different purposes				Community	Other Buildings			1 090	4 200	4 761	5 000	—	27	renewal
Community and Social Services					Community	Other			432					29	new
Community and Social Services	Provide Staff with Equipment				Heritage Assets	Other			5 614					6	new
Community and Social Services						Computers - hardware/equipment					60		—	6	new
Community and Social Services	Provide communities with safe structures for community activities					Sportsfields & stadia					5 473		—	6	new
Community and Social Services					Other	fencing					150		—	new	new
Community and Social Services	Provide Staff with reliable transport					General vehicles					250	200	—	new	new
						Clinics						200	200		
<b>Cementries</b>															
Cementries	Provide communities with safe structures for community activities				Other	fencing					150	200	—	20,6,30&4	new
Cementries	Store room					Other Buildings					70	70	—	20,6,30&5	new
Cementries	Provide Staff with Equipment					Furniture and other office equipment					4	—	—	20,6,30&6	new
Cementries	Provide Staff with Equipment				Other	Plant & equipment				28	28	—	—	20,6,30&7	new
Cementries	Provide Staff with reliable transport				Other	Specialised vehicles - Refuse					400	—	—	new	new
						Computers - hardware/equipment					11	—	—	new	new
<b>fire protection service</b>															
fire protection service	Provide Staff with Equipment				Other									new	new
fire protection service	Provide Staff with reliable transport				Other Assets	Specialised vehicles - Fire					1 000	1 000	2 000	7	new
fire protection service					Other	Buses						150	150	7	new
fire protection service	Provide Staff with buildings				Other	Stand by Quarters						150	150	7	new
fire protection service	Provide Staff with Equipment				Other	Furniture and other office equipment					5		—	7	new

Table SA36 - Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code 2	Individuality Approved (Yes/No) 6	Asset Class 3	Asset Sub-Class 3	Ordinate s 5	Total Project Estim ate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework		
									Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand													
Nature Conservation	Provide Staff with reliable transport				Other	General vehicles					350	350	–
Nature Conservation						Specialised vehicles - Conservancy					250	–	–
Nature Conservation	Provide Staff with Equipment					Plant & equipment					260	25	–
Nature Conservation	Provide Staff with Equipment					Computers - hardware/equipment					–	10	–
Nature Conservation	Provide community with sanitation				Community	Mens and Ladies Ablution Block					–	350	–
Nature Conservation					Other	Furniture and other office equipment					–	10	–
Solid Waste	Provide communities with safe environmental management				Other	Waste Management				800	5 868	–	–
Solid Waste	Provide communities with safe environmental management					Transfer station, Marlothpark-waste					1 200	2 000	2 000
Solid Waste	provide reliable transport				Other	Specialised vehicles - Refuse			6 100	3 100	800	4 000	4 000
Solid Waste	Maintenance of land fill site				Community	water tanker					–	–	2 000
Solid Waste	Provide Staff with Equipment					Computers - software & programming				40	7	–	–
Solid Waste	Provide Staff with Equipment					Furniture and other office equipment					22	–	–
Solid Waste	Provide Staff with Equipment					Other					–	–	–
Vehicle and Testing	Provide Staff with Equipment				Other	Furniture and other office equipment				6	26	–	–
Vehicle and Testing	Provide Staff with Equipment					Computers - hardware/equipment					20	–	–
Vehicle and Testing	Roads, Pavements & Bridges				Other	Roads, Pavements & Bridges					400	100	100
Vehicle and Testing	Provide Staff with Equipment				Other Assets	Plant & equipment					420	–	–
Vehicle and Testing						Street Lighting					100	–	–
INFRASTRUCTURE	Buildings				Other Assets	Other Buildings					70	–	–
civil administration	Provide Staff with Equipment				Other	Furniture and other office equipment					60	35	45
civil administration	Provide Staff with Equipment					Computers - hardware/equipment					50	–	–
waste water management/Sewerage	Provide all households with adequate,quality and				Community	Sewerage purification			2 805	10 000	10 000	15 000	16 000
water	Provide all households with adequate,quality and				Other	Other			7 610		–	–	–
water	Provide all households with adequate,quality and				Infrastructure - Water	Water treatment plant &reticulation				96 713	50 032	89 652	83 140
water	provide efficient transport				Other	Water purification					2 729	3 598	–
water	Provide Staff with Equipment				Other	Dams & Reservoirs					49 162	–	–
water	Provide all households with adequate,quality and				Other	General vehicles					500	600	850
water	provide reliable transport				Other	Plant & equipment					250	265	285
						Water tanker					800	850	870
						Other					700	800	
						Specialised vehicles - honey sucker					850	900	
Roads	Provide efficient roads				Infrastructure - Other	Roads, Pavements & Bridges			25 701	24 390	12 988	26 028	52 200
Roads	Provide efficient and reliable equipment				Infrastructure - Other	Plant & equipment			3 749	60	80	130	130
Roads	provide reliable transport				Other	General vehicles			3 338		320	340	360
Roads	provide reliable transport				Other Assets	specialised vehicles						4 570	4 690
Roads	Buildings				Other Assets	Other Buildings						100	100
Electricity	All Households having access to electricity				Infrastructure - Electricity	Transmission & Reticulation			25 531	25 583	25 300	20 000	24 500
Electricity	All Households having access to electricity				Other	General vehicles			158			250	550
Electricity	All Households having access to electricity				Other	Plant & equipment			18		250	200	200
Electricity	All Households having access to electricity				Other	Furniture and other office equipment			23		15	20	20
Electricity	All Households having access to electricity				Other	Street Lighting			156		300	300	500
Electricity	Provide Staff with reliable transport				Infrastructure - Electricity	specialised vehicle					750	850	–
Electricity	Demand Side Management Project				Other	Other					200	200	200
Electricity	Trade Preparation										–	100	100
Electricity	provide staff with equipment.					Computers - hardware/equipment					15	15	15
Parent Capital expenditure											185 546	177 058	195 635
Entities:	List all capital projects grouped by Entity												
Entity A	Water project A												
Entity B	Electricity project B												
Entity Capital expenditure									–	–	–	–	–
Total Capital expenditure									116 408	174 764	185 546	177 058	195 635



## Detailed capital budget per project

DEPARTMENT	SECTION	DETAILS	SOURCE OF FUNDING	2012/2013 BUDGET	2013/2014 BUDGET	2014/2015 BUDGET
EXECUTIVE AND COUNCIL	MAYORAL OFFICE	Desktop X 1	Revenue	10 000		
EXECUTIVE AND COUNCIL	MAYORAL OFFICE	Secretary's chair and 2 visitors chairs	Revenue	6 000		
EXECUTIVE AND COUNCIL	MAYORAL OFFICE	Camera	Revenue	7 000		
EXECUTIVE AND COUNCIL	MAYORAL OFFICE	Furniture-Protocol Officer	Revenue	15 000		
EXECUTIVE AND COUNCIL	MAYORAL OFFICE	Mounting of projector screen	Revenue	20 000		
EXECUTIVE AND COUNCIL	OFFICE OF THE SPEAKER	Furniture- Manager X 2	Revenue	50 000		
EXECUTIVE AND COUNCIL	OFFICE OF THE SPEAKER	Furniture- Coordinator CDW	Revenue	20 000		
EXECUTIVE AND COUNCIL	OFFICE OF THE SPEAKER	Furniture- Coordinator Public Participation	Revenue	20 000		
EXECUTIVE AND COUNCIL	OFFICE OF THE SPEAKER	Laptops X 3	Revenue	45 000		
EXECUTIVE AND COUNCIL	OFFICE OF THE SPEAKER	Printer - Manager X 2	Revenue	3 000		
EXECUTIVE AND COUNCIL	OFFICE OF THE SPEAKER	Bakkie - LDV	Revenue	180 000		
EXECUTIVE AND COUNCIL	OFFICE OF THE SPEAKER	Loud hailing system	Revenue	10 000		
BUDGET AND TREASURY	FINANCE	Laptops X3 (supply chain)	Revenue	45 000		
BUDGET AND TREASURY	FINANCE	Filing cabinet	Revenue	10 000		
BUDGET AND TREASURY	FINANCE	Recorders	Revenue	4 000		
BUDGET AND TREASURY	FINANCE	Camera supply chain	Revenue	4 000		
BUDGET AND TREASURY	FINANCE	Filing cabinets reception	Revenue	7 000		
BUDGET AND TREASURY	FINANCE	Furniture ( accountant Expenditure)	Revenue	20 000		
BUDGET AND TREASURY	FINANCE	Giant shredder	Revenue	10 000		
BUDGET AND TREASURY	FINANCE	Filing cabinet with 6 drawers	Revenue	10 000		
BUDGET AND TREASURY	FINANCE	Reception chairs (2xsteel 5seater)	Revenue	11 000	12 000	
BUDGET AND TREASURY	FINANCE	1x Laptop (CFO)	Revenue	20 000		
BUDGET AND TREASURY	FINANCE MANAGEMENT GRANT	Furniture & equipment	FMG	100 000	83 450	
CORPORATE SERVICES	CORPORATE SERVICES	New filling steel cabinet	Revenue	100 000		
CORPORATE SERVICES	CORPORATE SERVICES	Electronic system ( GroupWise system)	Revenue	40 000		
CORPORATE SERVICES	CORPORATE SERVICES	Laptop X1 ( senior archive clerk)	Revenue	15 000		
CORPORATE SERVICES	CORPORATE SERVICES	Desktop computer X 2	Revenue		10 000	
CORPORATE SERVICES	CORPORATE SERVICES	Bus- for the municipality	Revenue		400 000	
CORPORATE SERVICES	CORPORATE SERVICES	Furniture - Typist	Revenue		20 000	
CORPORATE SERVICES	CORPORATE SERVICES	Office Furniture - PMS Coordinator,	Revenue		40 000	
CORPORATE SERVICES	CORPORATE SERVICES	Laptop X 2	Revenue		30 000	
CORPORATE SERVICES	CORPORATE SERVICES:IT	Integration of telephone systems and printers	Revenue	3 000 000		
CORPORATE SERVICES	CORPORATE SERVICES	IT infrastructure integration and Laptops and furniture for the vacant posts	Revenue		300 000	
CORPORATE SERVICES	CORPORATE SERVICES	Laptop- Risk Management Clerk	Revenue	15 000		
CORPORATE SERVICES	CORPORATE SERVICES	Furniture- Risk Management Clerk	Revenue	20 000		
CORPORATE SERVICES	CORPORATE SERVICES	Suggestion/ Complaints management boxes X 12	Revenue	22 500		
CORPORATE SERVICES	CORPORATE SERVICES	video camera	Revenue	20 000		
CORPORATE SERVICES	CORPORATE SERVICES	Office Furniture - Internal audit clerk	Revenue	20 000		
CORPORATE SERVICES	CORPORATE SERVICES	Laptop- Internal audit Clerk	Revenue	15 000		
CORPORATE SERVICES	CORPORATE SERVICES	Law library establishment	Revenue	250 000		
CORPORATE SERVICES	CORPORATE SERVICES	Office Furniture	Revenue	90 000		
CORPORATE SERVICES	CORPORATE SERVICES	Laptop X 4 (manager & coordinators)	Revenue	60 000		
CORPORATE SERVICES	CORPORATE SERVICES	Vehicle	Revenue			
CORPORATE SERVICES	CORPORATE SERVICES	Digital Camera	Revenue	5 000		
CORPORATE SERVICES	CORPORATE SERVICES	Disability indoor sport centre	Revenue			156 000
CORPORATE SERVICES	CORPORATE SERVICES	Laptop - Safety Officer	Revenue	15 000		
CORPORATE SERVICES	CORPORATE SERVICES	Laptop - Labour Relations Officer	Revenue	15 000		
CORPORATE SERVICES	CORPORATE SERVICES	Desktop - Personel Clerk	Revenue	10 000		
CORPORATE SERVICES	CORPORATE SERVICES	Laptop - Admin Officer	Revenue	15 000		
CORPORATE SERVICES	CORPORATE SERVICES	Office furniture	Revenue	60 000		
CORPORATE SERVICES	CORPORATE SERVICES	Safety equipment	Revenue	40 000		
CORPORATE SERVICES	PROPERTY SERVICES	Extension of Mzinti workshops & Offices	Revenue	600 000		

DEPARTMENT	SECTION	DETAILS	SOURCE OF FUNDING	2012/2013 BUDGET	2013/2014 BUDGET	2014/2015 BUDGET
PLANNING AND DEVELOPMENT	PLANNING	3X Destop Computers	Revenue	30 000		
PLANNING AND DEVELOPMENT	LED	Hawkers markets N4/R570	Revenue	200 000		
PLANNING AND DEVELOPMENT	LED	Ablutions (toilets) for hawkers MLN/KMPT	Revenue	180 000		
PLANNING AND DEVELOPMENT	LED	Naas incubator	Revenue		700 000	
PLANNING AND DEVELOPMENT	LED	2X Desktop computers	Revenue	20 000		
PLANNING AND DEVELOPMENT	LED	Printers	Revenue	3 000		
PLANNING AND DEVELOPMENT	LED	3X Laptops	Revenue	45 000		
PLANNING AND DEVELOPMENT	LED	Office furniture LED manager	Revenue	40 000		
PLANNING AND DEVELOPMENT	LED	Visitors chairs	Revenue	5 000		
PLANNING AND DEVELOPMENT	IDP	Laptop	Revenue	15 000		
PLANNING AND DEVELOPMENT	IDP	Office furniture	Revenue	-	20 000	
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Lawmowers- Malelane, kamhlushwa, komatipoort&schoemansdal	Revenue			75 000
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Brush cutters: komatipoort and test ground	Revenue		14 000	
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Lawmowers: Malelane, kaMhlushwa, komatipoort and test ground	Revenue			50 000
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Lawmowers: Naas	Revenue	55 000		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Computer flat screen x3	Revenue	30 000		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Printers x3	Revenue	3 000		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Office chairs x3	Revenue	6 000		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Air conditioner(Mzinti) x3	Revenue	21 000		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Micro oven	Revenue		2 000	
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	LDV Bakkie (culture)	Revenue			
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Computer flat screen x1	Revenue	10 000		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Printer x1	Revenue	1 000		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Computer flat screen x 1	Revenue	10 000		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Printer	Revenue	1 000		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Visitors chairs	Revenue	1 000		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	office desk	Revenue	8 000		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	office chairs	Revenue	1 000		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Reception desk	Revenue	8 000		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Reception chairs	Revenue	1 000		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Fridge	Revenue	2 000		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	4X Mobile Air conditioners	Revenue	24 000		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Microwave	Revenue			
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Jeppes Reef Community Hall	MIG		5 000 000	
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Upgrading of KaMaqhekeza & Kamhlushwa stadium	MIG	5 473 032		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Dluluma Community Hall	MIG	4 761 412		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Refrigrator	Revenue	2 000		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	HIV/AIDS Resource centre with 20 chairs and boardroom desk	Revenue		200 000	200 000
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Kombi for LAC	Revenue	250 000		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	x1 computer & printer	Revenue	5 000		
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	1x LDV with a canopy	Revenue		200 000	
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	54 cm TV with DVD player	Revenue		7 000	
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Microwave	Revenue		900	
COMMUNITY & SOCIAL SERVICES	SOCIO ECONOMIC DEVELOPMENT	Fencing of Masibekela place of safety	Revenue	150 000		
COMMUNITY & SOCIAL SERVICES	CEMENTRIES	Fencing:New cementery :kamhlushwa	Revenue	150 000		
COMMUNITY & SOCIAL SERVICES	CEMENTRIES	Fencing:nNaas	Revenue		200 000	
COMMUNITY & SOCIAL SERVICES	CEMENTRIES	Brushcutters:kamhlushwa, malelane, komati,nass	Revenue	28 000		
COMMUNITY & SOCIAL SERVICES	CEMENTRIES	3ton truck	Revenue	400 000		
COMMUNITY & SOCIAL SERVICES	CEMENTRIES	Store room:kamhlushwa	Revenue	70 000		
COMMUNITY & SOCIAL SERVICES	CEMENTRIES	Store room:komatipoort	Revenue		70 000	
COMMUNITY & SOCIAL SERVICES	CEMENTRIES	Computer flat screen:Kamhlushwa	Revenue	10 000		
COMMUNITY & SOCIAL SERVICES	CEMENTRIES	Printer :Kamhlushwa	Revenue	1 200		
COMMUNITY & SOCIAL SERVICES	CEMENTRIES	High back Chair:kamhlushwa	Revenue	1 000		
COMMUNITY & SOCIAL SERVICES	CEMENTRIES	Visitors chairs:kamhlushwa	Revenue	1 000		
COMMUNITY & SOCIAL SERVICES	CEMENTRIES	Office desk:kamhlushwa	Revenue	1 500		

DEPARTMENT	SECTION	DETAILS	SOURCE OF FUNDING	2012/2013 BUDGET	2013/2014 BUDGET	2014/2015 BUDGET
COMMUNITY & SOCIAL SERVICES	FIRE PROTECTION SERVICE	4x mini truck fire engines	Revenue	1 000 000	1 000 000	2 000 000
COMMUNITY & SOCIAL SERVICES	FIRE PROTECTION SERVICE	1x minibus	Revenue		150 000	150 000
COMMUNITY & SOCIAL SERVICES	FIRE PROTECTION SERVICE	3x standby quarters	Revenue		150 000	150 000
COMMUNITY & SOCIAL SERVICES	FIRE PROTECTION SERVICE	furniture	Revenue	5 000		
COMMUNITY & SOCIAL SERVICES	NATURE CONSERVATION	2X LDV 4x4	Revenue	350 000	350 000	
COMMUNITY & SOCIAL SERVICES	NATURE CONSERVATION	1 Tractor with trailer and brush cutter	Revenue	250 000		
COMMUNITY & SOCIAL SERVICES	NATURE CONSERVATION	computer	Revenue		10 000	
COMMUNITY & SOCIAL SERVICES	NATURE CONSERVATION	10x Grass spray pumps, 5x malaria spray pumps	Revenue	10 000		
COMMUNITY & SOCIAL SERVICES	NATURE CONSERVATION	13 x Rangers lockers	Revenue		10 000	
COMMUNITY & SOCIAL SERVICES	NATURE CONSERVATION	Mens and Ladies Ablution Block	Revenue		350 000	
COMMUNITY & SOCIAL SERVICES	NATURE CONSERVATION	5 x LM 5 Guns	Revenue	50 000		
COMMUNITY & SOCIAL SERVICES	NATURE CONSERVATION	10 x 9m Guns	Revenue	60 000		
COMMUNITY & SOCIAL SERVICES	NATURE CONSERVATION	10 x pump Guns	Revenue	90 000		
COMMUNITY & SOCIAL SERVICES	NATURE CONSERVATION	1x fire breaks water cutter	Revenue	40 000		
COMMUNITY & SOCIAL SERVICES	NATURE CONSERVATION	5x brushcutters	Revenue		25 000	
COMMUNITY & SOCIAL SERVICES	NATURE CONSERVATION	2x chainsaws	Revenue	10 000		
COMMUNITY & SOCIAL SERVICES	SOLID WASTE	Steenbok landfill site-Phase2	MIG	5 867 694		
COMMUNITY & SOCIAL SERVICES	SOLID WASTE	Transfer station, Marlothpark	Revenue	1 200 000	1 000 000	
COMMUNITY & SOCIAL SERVICES	SOLID WASTE	Transfer station, komatipoort	Revenue		1 000 000	1 000 000
COMMUNITY & SOCIAL SERVICES	SOLID WASTE	Transfer station, kamhlushwa	Revenue			1 000 000
COMMUNITY & SOCIAL SERVICES	SOLID WASTE	(4) Compactor trucks 10 ton x 2	Revenue			3 200 000
COMMUNITY & SOCIAL SERVICES	SOLID WASTE	(2) LDV's bakkies	Revenue			
COMMUNITY & SOCIAL SERVICES	SOLID WASTE	6cbm Tipper truck x2	Revenue	800 000		
COMMUNITY & SOCIAL SERVICES	SOLID WASTE	Skip loader truck (6x4 tilt bed truck)	Revenue	1 500 000		
COMMUNITY & SOCIAL SERVICES	SOLID WASTE	Water tanker for Steenbok landfill site	Revenue			2 000 000
COMMUNITY & SOCIAL SERVICES	SOLID WASTE	8Ton cage truck x3	Revenue	800 000	800 000	800 000
COMMUNITY & SOCIAL SERVICES	SOLID WASTE	Refrigerators (Marlothpark and Hectospruit)	Revenue	7 000		
COMMUNITY & SOCIAL SERVICES	SOLID WASTE	Laptop x2	Revenue	20 000		
COMMUNITY & SOCIAL SERVICES	SOLID WASTE	Printer(2)	Revenue	2 000		
COMMUNITY & SOCIAL SERVICES	VEHICLE LICENSING AND TESTING	Paving phase two	Revenue		100 000	100 000
COMMUNITY & SOCIAL SERVICES	VEHICLE LICENSING AND TESTING	Head lamp aimers (Malelane and komatipoort)	Revenue	100 000		
COMMUNITY & SOCIAL SERVICES	VEHICLE LICENSING AND TESTING	Gas analysers for petrol vehicles( Malelane and Komatipoort)	Revenue	200 000		
COMMUNITY & SOCIAL SERVICES	VEHICLE LICENSING AND TESTING	Smoke meter for diesel vehicles( Malelane and komatipoort)	Revenue	220 000		
COMMUNITY & SOCIAL SERVICES	VEHICLE LICENSING AND TESTING	Chairs for licensing office x22	Revenue	22 000		
COMMUNITY & SOCIAL SERVICES	VEHICLE LICENSING AND TESTING	Computer x2	Revenue	20 000		
COMMUNITY & SOCIAL SERVICES	VEHICLE LICENSING AND TESTING	Printer/scanner/fax x2	Revenue	4 000		
COMMUNITY & SOCIAL SERVICES	VEHICLE LICENSING AND TESTING	Paving kamhlushwa extending of drivers licensings	Revenue	200 000		
COMMUNITY & SOCIAL SERVICES	VEHICLE LICENSING AND TESTING	Palisade fencing kamhlushwa extending licensings	Revenue	200 000		
INFRASTRUCTURE DEVELOPMENT	CIVIL ADMINISTRATION	Furniture & Equipments	Revenue	35 000		
INFRASTRUCTURE DEVELOPMENT	CIVIL ADMINISTRATION	Renovation of the filling room	Revenue	70 000		
INFRASTRUCTURE DEVELOPMENT	CIVIL ADMINISTRATION	1x computer for the office of the Director	Revenue	20 000		
INFRASTRUCTURE DEVELOPMENT	CIVIL ADMINISTRATION	Filling cabinets	Revenue	25 000	35 000	45 000
INFRASTRUCTURE DEVELOPMENT	CIVIL ADMINISTRATION	Projector	Revenue	30 000		
INFRASTRUCTURE DEVELOPMENT	SEWERAGE	Old Villages Sanitation Project: (REDIRECTED TO WATER AND SANITATION MALELANE)	MIG	5 000 000	7 500 000	8 000 000
INFRASTRUCTURE DEVELOPMENT	SEWERAGE	New Villages Sanitation Project: (REDIRECTED TO WATER AND SANITATION MALELANE)	MIG	5 000 000	7 500 000	8 000 000

DEPARTMENT	SECTION	DETAILS	SOURCE OF FUNDING	2012/2013 BUDGET	2013/2014 BUDGET	2014/2015 BUDGET
INFRASTRUCTURE DEVELOPMENT	ROADS	1X Industrial fan	Revenue		20 000	
INFRASTRUCTURE DEVELOPMENT	ROADS	Upgrading and surfacing Suid drop-komatipoort	Revenue	3 000 000		
INFRASTRUCTURE DEVELOPMENT	ROADS	Eastgate(Kamhlushwa) bus route phase 2	MIG		6 000 000	
INFRASTRUCTURE DEVELOPMENT	ROADS	15 x Liquid fire extinguishers	Revenue	30 000	40 000	50 000
INFRASTRUCTURE DEVELOPMENT	ROADS	Workshop Tools	Revenue	50 000	70 000	80 000
INFRASTRUCTURE DEVELOPMENT	ROADS	M B to Tax Rank Bus Route (KaMhlushwa)	MIG		7 500 000	
INFRASTRUCTURE DEVELOPMENT	ROADS	Replace BJK 643Mp bakkie	Revenue	250 000	260 000	270 000
INFRASTRUCTURE DEVELOPMENT	ROADS	Diesel tanker trailer	Revenue	70 000	80 000	90 000
INFRASTRUCTURE DEVELOPMENT	ROADS	Grader	Revenue		2 700 000	2 800 000
INFRASTRUCTURE DEVELOPMENT	ROADS	4 Ton Crew canopy truck	Revenue		900 000	900 000
INFRASTRUCTURE DEVELOPMENT	ROADS	Vehicle shelter	Revenue		100 000	100 000
INFRASTRUCTURE DEVELOPMENT	ROADS	Tipper truck	Revenue		970 000	990 000
INFRASTRUCTURE DEVELOPMENT	ROADS	Langeloo Bus Route Phase 2	MIG	9 988 115		
INFRASTRUCTURE DEVELOPMENT	ROADS	Driekoppies bus route	MIG		6 527 883	8 907 860
INFRASTRUCTURE DEVELOPMENT	ROADS	Mafambisa bus route	MIG		6 000 000	9 000 000
INFRASTRUCTURE DEVELOPMENT	ROADS	Boschfontein bus route	MIG			10 000 000
INFRASTRUCTURE DEVELOPMENT	ROADS	Orlando/Komatipoort bus route	MIG			13 819 800
INFRASTRUCTURE DEVELOPMENT	ROADS	Middelplaas roads	MIG			10 472 117
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Mbuzini Bulk Water Supply Scheme Phase 2 Augmentation: Bulk Pipeline from Khombaso to Thambokhulu + Pump station	MIG	41 189 961		
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Thambokhulu Reservoir + Pumping Station				
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Thambokhulu bulk pipeline to Mbuzini (Ndindindi Reservoir	MIG			
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Masibekela Water Treatment Works Phase 2	MIG	6 760 293	36 752 731	
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Hoyi Reservoir/Elevated Tank	MIG	4 215 690		
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Tonga WTW Phase 1B (Phase 2)	MIG	23 430 000		
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Phiva,Vlaskbult (Mdladla) elevated tower and Sikhwahlane sectional steel reservoir/elevated tower	MIG	3 776 020		
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Mzinti bulk water supply upgrade	MIG		10 000 000	
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Shongwe Hospital bulk water supply upgrade (Replacement of AC pipe)	MIG		8 656 096	
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Upgrading of Masibekela bulk pipeline(replacement of Ac pipe)	MIG		16 000 000	
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Kruger National park projects(Upgrading of Skukuza/lower Sabie Water Purification Plant and crocodile Bridge)	MIG	2 728 680	3 598 450	
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Driekoppies Water treatment works	MIG			15 577 883
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Upgrading Malelane Water Treatment Works 6ml/day & Concrete resevoir	MIG		12 438 260	27 561 740
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Upgrading of Hectorspruit water treatment works & raw water abstraction	MIG			7 000 000
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Mjejane Trust bulk supply(water treatment plant+steel reservoir +Reticulation network)	MIG			18 000 000
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Tonga D elevated tank + water Reticulation	MIG			5 000 000
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Phosaville/Phosaville Ext 2 Water reticulation	MIG	7 341 623	4 305 000	
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Mbuzini Water Reticulation	MIG		1 500 000	
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Steenbok Water Reticulation	MIG	3 500 000		
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Ntunda Water Reticulation+ Bulk	MIG	3 000 000		
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Langeloo Water Reticulation:Bhekisisa+Sbokeng	MIG			10 000 000
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	LDV Bakkie(for mechanical Artisan fitte)	Revenue			250 000
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Workshop tools	Revenue	90 000	95 000	100 000
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	High pressure cleaners machine	Revenue	85 000	90 000	100 000
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Brush cutters+Lawn mowers	Revenue	75 000	80 000	85 000
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Honey sucker tuck	Revenue	850 000	900 000	
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Replace LDV bakkie(komatipoort)	Revenue	250 000	300 000	300 000
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Replace LDV bakkie(Lebombo unit))	Revenue	250 000	300 000	300 000
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Dunusa mainline	Revenue	700 000	800 000	
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Water tanker	Revenue	800 000	850 000	870 000
INFRASTRUCTURE DEVELOPMENT	WATER SUPPLY	Reticulation of Malelane EX.21	Revenue	6 000 000		

DEPARTMENT	SECTION	DETAILS	SOURCE OF FUNDING	2012/2013 BUDGET	2013/2014 BUDGET	2014/2015 BUDGET
INFRASTRUCTURE DEVELOPMENT	ELECTRICITY	Eskom Bulk supply Upgrades in Nkomazi	Revenue	5 000 000	5 000 000	6 000 000
INFRASTRUCTURE DEVELOPMENT	ELECTRICITY	Marloth Park Electrification	Revenue	1 500 000	1 500 000	2 000 000
INFRASTRUCTURE DEVELOPMENT	ELECTRICITY	New/upgrade substations in Nkomazi	Revenue	2 000 000	2 000 000	2 000 000
INFRASTRUCTURE DEVELOPMENT	ELECTRICITY	Refurbish LV and MV Infrastructure in Nkomazi	Revenue	1 200 000	1 500 000	1 500 000
INFRASTRUCTURE DEVELOPMENT	ELECTRICITY	Installation of Ht Ring Supplies in Nkomazi	Revenue	1 000 000	1 000 000	1 000 000
INFRASTRUCTURE DEVELOPMENT	ELECTRICITY	Repair/Replace streetlights and Mast Lights in Nkomazi	Revenue	300 000	300 000	500 000
INFRASTRUCTURE DEVELOPMENT	ELECTRICITY	HT Test Equipment	Revenue		100 000	100 000
INFRASTRUCTURE DEVELOPMENT	ELECTRICITY	Tools and Equipment	Revenue	250 000	100 000	100 000
INFRASTRUCTURE DEVELOPMENT	ELECTRICITY	Office furniture	Revenue	5 000	10 000	10 000
INFRASTRUCTURE DEVELOPMENT	ELECTRICITY	Standby Quaters furniture	Revenue	10 000	10 000	10 000
INFRASTRUCTURE DEVELOPMENT	ELECTRICITY	Computers and printers	Revenue	15 000	15 000	15 000
INFRASTRUCTURE DEVELOPMENT	ELECTRICITY	3-Ton Truck with Cherry Picker	Revenue	750 000	850 000	
INFRASTRUCTURE DEVELOPMENT	ELECTRICITY	1x LDV	Revenue		250 000	550 000
INFRASTRUCTURE DEVELOPMENT	ELECTRICITY	Demand Side Management Project	Revenue	200 000	200 000	200 000
INFRASTRUCTURE DEVELOPMENT	ELECTRICITY	Trade Preparation	Revenue	-	100 000	100 000
INFRASTRUCTURE DEVELOPMENT	ELECTRICITY	DOE Electrification Projects:	INEG	12 600 000	7 000 000	10 000 000
INFRASTRUCTURE DEVELOPMENT	ELECTRICITY	DOE Electrification Projects (Mzinti RDP)	Revenue	2 000 000	2 000 000	2 000 000
<b>TOTAL CAPITAL BUDGET</b>				<b>185 536 720</b>	<b>177 057 770</b>	<b>195 635 400</b>

## 2.7 Other supporting documents

Table SA1 - Supporting detail to budgeted financial performance

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
<b>REVENUE ITEMS:</b>										
<b><u>Property rates</u></b>										
Total Property Rates	23 084	55 887	41 801	73 000	73 000	73 000	73 000	78 219	86 041	94 645
less Revenue Foregone		20 310	12 786	25 000	25 000	25 000	25 000	4 011	4 412	4 854
<b>Net Property Rates</b>	<b>23 084</b>	<b>35 577</b>	<b>29 015</b>	<b>48 000</b>	<b>48 000</b>	<b>48 000</b>	<b>48 000</b>	<b>74 207</b>	<b>81 628</b>	<b>89 791</b>
<b><u>Service charges - electricity revenue</u></b>										
Total Service charges - electricity revenue	24 202	28 071	32 895	46 896	46 896	46 896	46 896	51 577	56 735	62 408
less Revenue Foregone				10 000	10 000	10 000	10 000	888	977	1 074
<b>Net Service charges - electricity revenue</b>	<b>24 202</b>	<b>28 071</b>	<b>32 895</b>	<b>36 896</b>	<b>36 896</b>	<b>36 896</b>	<b>36 896</b>	<b>50 689</b>	<b>55 758</b>	<b>61 334</b>
<b><u>Service charges - water revenue</u></b>										
Total Service charges - w ater revenue	7 693	9 119	17 553	16 998	16 998	16 998	16 998	18 665	20 531	22 584
less Revenue Foregone				1 684	1 684	1 684	1 684			
<b>Net Service charges - water revenue</b>	<b>7 693</b>	<b>9 119</b>	<b>17 553</b>	<b>15 314</b>	<b>15 314</b>	<b>15 314</b>	<b>15 314</b>	<b>18 665</b>	<b>20 531</b>	<b>22 584</b>
<b><u>Service charges - sanitation revenue</u></b>										
Total Service charges - sanitation revenue	2 771	2 270	3 948	2 708	2 708	2 708	2 708	2 978	3 276	3 604
less Revenue Foregone										
<b>Net Service charges - sanitation revenue</b>	<b>2 771</b>	<b>2 270</b>	<b>3 948</b>	<b>2 708</b>	<b>2 708</b>	<b>2 708</b>	<b>2 708</b>	<b>2 978</b>	<b>3 276</b>	<b>3 604</b>
<b><u>Service charges - refuse revenue</u></b>										
Total refuse removal revenue	3 144	3 343	948	4 041	4 041	4 041	4 041	4 445	4 890	5 379
Total landfill revenue										
less Revenue Foregone										
<b>Net Service charges - refuse revenue</b>	<b>3 144</b>	<b>3 343</b>	<b>948</b>	<b>4 041</b>	<b>4 041</b>	<b>4 041</b>	<b>4 041</b>	<b>4 445</b>	<b>4 890</b>	<b>5 379</b>
<b><u>Other Revenue by source</u></b>										
Fuel levy										
Other revenue	22 618	22 860		4 145	4 078	4 078	4 078	4 621	5 054	5 527
<b>Total 'Other' Revenue</b>	<b>22 618</b>	<b>22 860</b>	<b>-</b>	<b>4 145</b>	<b>4 078</b>	<b>4 078</b>	<b>4 078</b>	<b>4 621</b>	<b>5 054</b>	<b>5 527</b>

**Table SA1 - Supporting detail to budgeted financial performance (Continued)**

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
<b>EXPENDITURE ITEMS:</b>										
<b>Employee related costs</b>										
Basic Salaries and Wages	56 576	56 823	111 893	104 021	104 021	104 021	104 021	116 552	123 079	129 726
Pension and UIF Contributions	14 764	19 684	14 915	26 003	26 003	26 003	26 003	26 695	28 199	29 725
Medical Aid Contributions			3 955	5 240	5 240	5 240	5 240	4 238	4 478	4 719
Overtime	9 172	12 566	10 590	14 984	14 146	14 146	14 146	11 683	12 436	13 107
Performance Bonus	4 212	4 630	10 182	8 566	8 566	8 566	8 566	9 304	9 827	10 358
Motor Vehicle Allowance	15 811	33 904	5 762	10 238	10 238	10 238	10 238	8 085	8 542	9 003
Cellphone Allowance			456	1 500	1 500	1 500	1 500	1 156	1 221	1 287
Housing Allowances	1 204	1 088	839	1 063	1 063	1 063	1 063	1 103	1 165	1 227
Other benefits and allowances			2 471	169	169	169	169	3 924	4 144	4 368
Pay ments in lieu of leave			1 778		1 500	1 500	1 500	1 500	1 500	1 725
Long service awards					500	500	500	500	500	500
Post-retirement benefit obligations	119	102		146	166	166	166	154	162	171
<b>sub-total</b>	<b>101 859</b>	<b>128 797</b>	<b>162 841</b>	<b>171 930</b>	<b>173 112</b>	<b>173 112</b>	<b>173 112</b>	<b>184 894</b>	<b>195 252</b>	<b>205 915</b>
<b>Less: Employees costs capitalised to PPE</b>										
<b>Total Employee related costs</b>	<b>101 859</b>	<b>128 797</b>	<b>162 841</b>	<b>171 930</b>	<b>173 112</b>	<b>173 112</b>	<b>173 112</b>	<b>184 894</b>	<b>195 252</b>	<b>205 915</b>
<b>Contributions recognised - capital</b>										
<i>List contributions by contract</i>										
<b>Total Contributions recognised - capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depreciation &amp; asset impairment</b>										
Depreciation of Property, Plant & Equipment	30 271	32 583	39 583	5 521	50 000	50 000	50 000	52 700	55 651	58 656
Lease amortisation					-	-	-			
Capital asset impairment	-	-		1 916	1 907	1 907	1 907	2 020	2 133	2 248
Depreciation resulting from revaluation of PPE										
<b>Total Depreciation &amp; asset impairment</b>	<b>30 271</b>	<b>32 583</b>	<b>39 583</b>	<b>7 438</b>	<b>51 907</b>	<b>51 907</b>	<b>51 907</b>	<b>54 720</b>	<b>57 784</b>	<b>60 905</b>
<b>Bulk purchases</b>										
Electricity Bulk Purchases	26 575	40 103	42 645	54 290	54 290	54 290	54 290	61 619	65 070	68 584
Water Bulk Purchases	561	979	584	1 235	1 235	1 235	1 235	1 301	1 374	1 449
<b>Total bulk purchases</b>	<b>27 136</b>	<b>41 082</b>	<b>43 229</b>	<b>55 525</b>	<b>55 525</b>	<b>55 525</b>	<b>55 525</b>	<b>62 921</b>	<b>66 444</b>	<b>70 032</b>
<b>Transfers and grants</b>										
Cash transfers and grants	-	-	-	62	69	69	69	200	211	223
Non-cash transfers and grants	-	-	-	-	-	-	-	6 598	7 258	7 984
<b>Total transfers and grants</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>6 798</b>	<b>7 469</b>	<b>8 206</b>
<b>Contracted services</b>										
Transport of money	228	255	298	281	281	281	281	296	312	329
Security	3 121	5 231	6 804	4 277	6 025	6 025	6 025	8 012	8 460	8 934
Fleet Management	-	-		3 000	2 086	2 086	2 086	2 162	2 283	2 406
<b>sub-total</b>	<b>3 349</b>	<b>5 486</b>	<b>7 102</b>	<b>7 557</b>	<b>8 391</b>	<b>8 391</b>	<b>8 391</b>	<b>10 470</b>	<b>11 056</b>	<b>11 670</b>
<b>Allocations to organs of state:</b>										
Electricity										
Water										
Sanitation										
Other										
<b>Total contracted services</b>	<b>3 349</b>	<b>5 486</b>	<b>7 102</b>	<b>7 557</b>	<b>8 391</b>	<b>8 391</b>	<b>8 391</b>	<b>10 470</b>	<b>11 056</b>	<b>11 670</b>

**Table SA1 - Supporting detail to budgeted financial performance (Continued)**

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
<b>Other Expenditure By Type</b>										
Collection costs										
Contributions to 'other' provisions										
Consultant fees	3 108	4 580	327	1 823	1 383	1 383	1 383	1 914	2 001	2 179
Audit fees	581	1 562	3 292	1 500	1 643	1 643	1 643	1 581	1 670	1 760
General expenses	19 991	34 152	48 482	38 266	47 304	47 304	47 304	37 876	36 317	32 558
Data cleansing	-	-		1 000	900	900	900	1 054	1 113	1 173
Courier costs & postages	199	243	667	298	303	303	303	314	332	350
Debtors Data Collection	-	268	153	635	635	635	635	669	707	745
Repairs & Maintenance of Assets	17 956	54 267	25 323	25 135	28 416	28 416	28 416	27 991	31 534	36 588
Rental of Equipments, buildings & Landfill site	3 335	6 886	7 098	6 692	7 213	7 213	7 213	6 515	6 978	7 472
Water Quality Monitoring	910	1 350	3 519	2 124	1 924	1 924	1 924	2 239	2 364	2 492
Compilation of supplementary valuation roll	1 329	5	166	3 700	3 700	3 700	3 700	3 900	4 118	4 341
Chemicals	17 153	37 709	7 021	12 775	11 775	11 775	11 775	13 465	14 219	14 987
Telephone (rental)	3 066	3 052	3 335	3 368	3 368	3 368	3 368	3 549	3 748	3 951
Training	823	1 260	1 085	1 389	1 366	1 366	1 366	1 547	1 522	1 772
Fuel & oil	5 193	5 057	8 530	5 419	6 794	6 794	6 794	5 901	6 231	6 568
Legal fees	3 199	6 812	12 172	1 000	1 500	1 500	1 500	1 054	1 113	1 173
Projects	872	1 305	1 432	1 362	1 342	1 342	1 342	1 435	1 515	1 597
FMS support services	75	95	3 922	2 000	2 000	2 000	2 000	2 108	2 226	2 346
IT Connectivity	1 450	4 836	2 755	3 929	3 429	3 429	3 429	2 000	2 112	2 226
Electricity New Connections	1 177	1 872	2 378	3 368	3 368	3 368	3 368	2 549	2 692	2 838
EAP programme	-	128	119	225	225	225	225	237	250	263
Licensing fees (Agency Fees)								14 163	14 956	15 764
Entrance control contract	-	-	16	149	1	1	1	157	165	174
Systems Development support	210	230	189	270	247	247	247	260	320	300
Asset Register	210	161	295	800	863	863	863	843	890	939
-	-	-								
<b>Total 'Other' Expenditure</b>	<b>80 837</b>	<b>165 829</b>	<b>132 276</b>	<b>117 224</b>	<b>129 698</b>	<b>129 698</b>	<b>129 698</b>	<b>133 321</b>	<b>139 093</b>	<b>144 556</b>
<b>Repairs and Maintenance</b>										
Employee related costs	78 992	122 974	-	126 736	126 736	126 736	126 736	120 186	131 824	142 295
Other materials										
Contracted Services										
Other Expenditure	17 956	54 267		25 135	28 416	28 416	28 416	33 765	40 560	46 102
<b>Total Repairs and Maintenance Expenditure</b>	<b>96 948</b>	<b>177 241</b>	<b>-</b>	<b>151 871</b>	<b>155 152</b>	<b>155 152</b>	<b>155 152</b>	<b>153 951</b>	<b>172 384</b>	<b>188 397</b>



**Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

Description	Vote1 - EXECUTIVE & COUNCIL	Vote 2 - BUDGET & TREASURY OFFICE	Vote 3 - CORPORATE SERVICES	Vote 4 - PLANNING & DEVELOPME NT	Vote 5 - COMMUNITY & SOCIAL SERVICES	Vote 6 - INFRASTRU CTURE & DEVELOPME NT	Total
<b>R thousand</b>							
<b>Revenue By Source</b>							
Property rates		74 207					74 207
Property rates - penalties & collection charges							-
Service charges - electricity revenue						50 689	50 689
Service charges - water revenue						18 665	18 665
Service charges - sanitation revenue						2 978	2 978
Service charges - refuse revenue					4 445		4 445
Service charges - other					250		250
Rental of facilities and equipment			2 093				2 093
Interest earned - external investments		2 000					2 000
Interest earned - outstanding debtors		1 500					1 500
Dividends received							-
Fines					1 650		1 650
Licences and permits				47			47
Agency services					23 605		23 605
Other revenue		1 142	672	1 001	1 717	90	4 621
Transfers recognised - operational		124 337			22 138	128 421	274 896
Gains on disposal of PPE							-
<b>Total Revenue (excluding capital transfers and</b>	<b>-</b>	<b>203 186</b>	<b>2 764</b>	<b>1 048</b>	<b>53 806</b>	<b>200 843</b>	<b>461 647</b>
<b>Expenditure By Type</b>							
Employee related costs	6 297	16 786	16 115	9 293	55 037	81 365	184 894
Remuneration of councillors	17 404						17 404
Debt impairment		13 175					13 175
Depreciation & asset impairment	183	52 848	566	83	353	688	54 720
Finance charges						1 420	1 420
Bulk purchases						62 921	62 921
Other materials		295	140	62	383	206	1 085
Contracted services		2 458			8 012		10 470
Transfers and grants		6 598	200				6 798
Other expenditure	3 960	20 048	15 533	8 140	34 477	51 163	133 321
Loss on disposal of PPE							-
<b>Total Expenditure</b>	<b>27 843</b>	<b>112 207</b>	<b>32 554</b>	<b>17 578</b>	<b>98 261</b>	<b>197 762</b>	<b>486 206</b>
<b>Surplus/(Deficit)</b>	<b>(27 843)</b>	<b>90 979</b>	<b>(29 789)</b>	<b>(16 530)</b>	<b>(44 456)</b>	<b>3 081</b>	<b>(24 559)</b>
Transfers recognised - capital						144 633	144 633
Contributions recognised - capital							-
Contributed assets							-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(27 843)</b>	<b>90 979</b>	<b>(29 789)</b>	<b>(16 530)</b>	<b>(44 456)</b>	<b>147 714</b>	<b>120 074</b>

**Table SA3 – Supporting detail to Statement of Financial Position**

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>										
<b>ASSETS</b>										
<b>Call investment deposits</b>										
Call deposits < 90 days	86 166	35 000	5 000	50 000	5 000	5 000	5 000	5 000	5 000	5 000
Other current investments > 90 days	–	–	–	–	–	–	–	–	–	–
<b>Total Call investment deposits</b>	<b>86 166</b>	<b>35 000</b>	<b>5 000</b>	<b>50 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>
<b>Consumer debtors</b>										
Consumer debtors	18 039	23 731	39 606	26 639	34 718	34 718	34 718	48 386	50 189	42 007
Less: Provision for debt impairment	–	–	(9 737)	(1 200)	(12 500)	(12 500)	(12 500)	(13 175)	(13 913)	(14 664)
<b>Total Consumer debtors</b>	<b>18 039</b>	<b>23 731</b>	<b>29 869</b>	<b>25 439</b>	<b>22 218</b>	<b>22 218</b>	<b>22 218</b>	<b>35 211</b>	<b>36 276</b>	<b>27 343</b>
<b>Debt impairment provision</b>										
Balance at the beginning of the year	–	–	–	1 200	12 500	12 500	12 500	13 175	13 913	14 664
Contributions to the provision	–	–	–	–	–	–	–	–	–	–
Bad debts written off	–	–	–	–	–	(11 274)	(11 274)	–	–	–
<b>Balance at end of year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 200</b>	<b>12 500</b>	<b>1 226</b>	<b>1 226</b>	<b>13 175</b>	<b>13 913</b>	<b>14 664</b>
<b>Property, plant and equipment (PPE)</b>										
PPE at cost/valuation (excl. finance leases)	704 543	767 165	1 326 898	1 021 871	1 021 871	1 021 871	1 021 871	1 518 829	1 721 852	1 969 686
Leases recognised as PPE	4 470	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation	30 271	32 583	139 306	7 438	50 000	50 000	50 000	242 006	297 658	356 314
<b>Total Property, plant and equipment (PPE)</b>	<b>678 742</b>	<b>734 582</b>	<b>1 187 592</b>	<b>1 014 434</b>	<b>971 871</b>	<b>971 871</b>	<b>971 871</b>	<b>1 276 822</b>	<b>1 424 194</b>	<b>1 613 372</b>
<b>LIABILITIES</b>										
<b>Current liabilities - Borrowing</b>										
Short term loans (other than bank overdraft)	–	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities	2 253	2 524	2 617	1 148	1 148	1 148	1 148	499	499	499
<b>Total Current liabilities - Borrowing</b>	<b>2 253</b>	<b>2 524</b>	<b>2 617</b>	<b>1 148</b>	<b>1 148</b>	<b>1 148</b>	<b>1 148</b>	<b>499</b>	<b>499</b>	<b>499</b>
<b>Trade and other payables</b>										
Trade and other creditors	30 230	59 709	43 281	66 836	20 632	20 632	20 632	30 504	32 304	34 210
Unspent conditional transfers	19 938	25 564	16 975	–	–	–	–	–	–	–
VAT	–	–	–	–	–	–	–	–	–	–
<b>Total Trade and other payables</b>	<b>50 168</b>	<b>85 273</b>	<b>60 257</b>	<b>66 836</b>	<b>20 632</b>	<b>20 632</b>	<b>20 632</b>	<b>30 504</b>	<b>32 304</b>	<b>34 210</b>
<b>Non current liabilities - Borrowing</b>										
Borrowing	5 592	4 528	3 263	1 911	1 911	1 911	1 911	2 991	2 493	1 994
Finance leases (including PPP asset element)	4 100	2 911	2 095	–	–	–	–	–	–	–
<b>Total Non current liabilities - Borrowing</b>	<b>9 692</b>	<b>7 439</b>	<b>5 359</b>	<b>1 911</b>	<b>1 911</b>	<b>1 911</b>	<b>1 911</b>	<b>2 991</b>	<b>2 493</b>	<b>1 994</b>
<b>Provisions - non-current</b>										
Retirement benefits	–	–	–	–	–	–	–	–	–	–
List other major provision items	–	–	–	–	–	–	–	–	–	–
Refuse landfill site rehabilitation	–	–	–	–	2 000	2 000	2 000	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
<b>Total Provisions - non-current</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>CHANGES IN NET ASSETS</b>										
<b>Accumulated Surplus/(Deficit)</b>										
Accumulated Surplus/(Deficit) - opening balance	659 319	763 965	868 073	834 194	849 249	849 249	861 736	934 660	1 054 734	1 178 981
GRAP adjustments	–	–	–	–	–	–	–	–	–	–
Restated balance	659 319	763 965	868 073	834 194	849 249	849 249	861 736	934 660	1 054 734	1 178 981
Surplus/(Deficit)	62 651	(21 890)	(6 337)	131 393	74 447	72 924	72 924	120 074	124 247	155 058
Appropriations to Reserves	–	–	–	–	–	–	–	–	–	–
Transfers from Reserves	–	–	–	–	–	–	–	–	–	–
Depreciation offsets	–	–	–	–	–	–	–	–	–	–
Other adjustments	–	–	–	–	–	–	–	–	–	–
<b>Accumulated Surplus/(Deficit)</b>	<b>721 970</b>	<b>742 076</b>	<b>861 736</b>	<b>965 587</b>	<b>923 696</b>	<b>922 174</b>	<b>934 660</b>	<b>1 054 734</b>	<b>1 178 981</b>	<b>1 334 038</b>
<b>Reserves</b>										
Housing Development Fund	–	–	–	–	–	–	–	–	–	–
Capital replacement	–	–	–	–	–	–	–	–	–	–
Self-insurance	–	–	–	–	–	–	–	–	–	–
Other reserves	–	–	–	–	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–	–	–	–	–
<b>Total Reserves</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>721 970</b>	<b>742 076</b>	<b>861 736</b>	<b>965 587</b>	<b>923 696</b>	<b>922 174</b>	<b>934 660</b>	<b>1 054 734</b>	<b>1 178 981</b>	<b>1 334 038</b>

**Table SA11 – Property rates summary**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Valuation:</b>									
Date of valuation:	2004/07/01	2009/07/02	2009/07/01	2009/07/01					
Financial year valuation used	2009/06/30	2010/06/30	2011/06/30	2012/06/30			Jun-13		
Municipal by-laws s6 in place? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)	No	Yes	No	Yes			Yes		
Municipal partnership s38 used? (Y/N)	no	no	no	no			no		
No. of assistant valuers (FTE)	1	-	-	-			1		
No. of data collectors (FTE)	145	2	2	2			2		
No. of internal valuers (FTE)	-	-	-	-			-		
No. of external valuers (FTE)	1	1	1	1			1		
No. of additional valuers (FTE)	-	-	-	-			-		
Valuation appeal board established? (Y/N)	No	Yes	No	No			No		
Implementation time of new valuation roll (mths)									
No. of properties	22 402	22 402	22 402	22 402					
No. of sectional title values	-	-	-	-			-		
No. of unreasonably difficult properties s7(2)	-	-	-	-			-		
No. of supplementary valuations	-	-	-	-			1		
No. of valuation roll amendments	-	-	-	194 for all categories			194		
No. of objections by rate payers	3 757	3 757	3 757	3 757					
No. of appeals by rate payers	3 757	3 757	3 757	3 757					
No. of successful objections	3 757	3 757	3 757	3 757					
No. of successful objections > 10%	3 757	3 757	3 757	3 757					
Supplementary valuation									
Public service infrastructure value (Rm)	1 428	1 428	1 428	1 428			1 428		
Municipality owned property value (Rm)									
<b>Valuation reductions:</b>									
Valuation reductions-public infrastructure (Rm)									
Valuation reductions-nature reserves/park (Rm)									
Valuation reductions-mineral rights (Rm)									
Valuation reductions-R15,000 threshold (Rm)									
Valuation reductions-public worship (Rm)									
Valuation reductions-other (Rm)									
<b>Total valuation reductions:</b>	-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)									
Total land value (Rm)									
Total value of improvements (Rm)									
Total market value (Rm)	6 739	6 739	6 739	6 739	6 739	6 739	6 739		
<b>Rating:</b>									
Residential rate used to determine rate for other categories? (Y/N)	No	No	No	No			No		
Differential rates used? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)	No	No	No	No	No	No	No		
Special rating area used? (Y/N)	No	No	No	No			No		
Phasing-in properties s21 (number)	1 072	1 072	1 072	1 072					
Rates policy accompanying budget? (Y/N)	Yes	Yes	Yes	Yes					
Fixed amount minimum value (R'000)	-	-	-	-					
Non-residential prescribed ratio s19? (%)									
<b>Rate revenue:</b>									
Rate revenue budget (R '000)	23 084	35 577	29 015	48 000	48 000	48 000	52 800	58 080	63 888
Rate revenue expected to collect (R'000)	22 777	35 203	24 887	43 198	43 195	43 195	47 674	52 667	58 183
Expected cash collection rate (%)	98.7%	98.9%	85.8%	90.0%	90.0%	90.0%	90.3%	90.7%	91.1%
Special rating areas (R'000)									
Rebates, exemptions - indigent (R'000)	19	19	19	19	19	19	19	19	19
Rebates, exemptions - pensioners (R'000)	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)									
Phase-in reductions/discounts (R'000)									
<b>Total rebates,exemptns,reductns,discs (R'000)</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>

**Table SA12a – Property rates by category (current year)**

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
<b>Current Year 2011/12</b>																
<b>Valuation:</b>																
No. of properties	6 977	2	270	1 072	376	32	18	–	5 386	–	–	–	–	1	–	–
No. of sectional title property values	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)																
No. of valuation roll amendments																
No. of objections by rate-payers	174		6	4												
No. of appeals by rate-payers	174		6	4												
No. of appeals by rate-payers finalised	174		6	4												
No. of successful objections	174		6	4												
No. of successful objections > 10%	174		6	4												
Estimated no. of properties not valued																
Years since last valuation (select)	1	1	1	1	1	1			1							
Frequency of valuation (select)	4	4	4	4	4	4			4							
Method of valuation used (select)	Market	Market	Market	Market	Market	Market	Market	Market						Market		
Base of valuation (select)	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.					Land & impr.		
Phasing-in properties s21 (number)																
Combination of rating types used? (Y/N)																
Flat rate used? (Y/N)	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes					Yes		
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable		Variable					Variable		
<b>Valuation reductions:</b>																
Valuation reductions-public infrastructure (Rm)																
Valuation reductions-nature reserves/park (Rm)																
Valuation reductions-mineral rights (Rm)																
Valuation reductions-R15,000 threshold (Rm)																
Valuation reductions-public worship (Rm)																
Valuation reductions-other (Rm)																
<b>Total valuation reductions:</b>																
Total value used for rating (Rm)	2 921	5	646	1 629					479							
Total land value (Rm)																
Total value of improvements (Rm)																
Total market value (Rm)	2 717		1 609	851	109		2									
<b>Rating:</b>																
Average rate																
Rate revenue budget (R '000)																
Rate revenue expected to collect (R'000)																
Expected cash collection rate (%)																
Special rating areas (R'000)																
Rebates, exemptions - indigent (R'000)																
Rebates, exemptions - pensioners (R'000)	19															
Rebates, exemptions - bona fide farm. (R'000)																
Rebates, exemptions - other (R'000)																
Phase-in reductions/discounts (R'000)																
<b>Total rebates,exemptns,eductns,discs (R'000)</b>																

**Table SA12b – Property rates by category (budget year)**

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
<b>Current Year 2011/12</b>																
<b>Valuation:</b>																
No. of properties	6 977	2	270	1 072	376	32	18	–	5 386	–	–	–	–	1	–	–
No. of sectional title property valuations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)																
No. of valuation roll amendments																
No. of objections by rate-payers	174		6	4												
No. of appeals by rate-payers	174		6	4												
No. of appeals by rate-payers finalised	174		6	4												
No. of successful objections	174		6	4												
No. of successful objections > 10%	174		6	4												
Estimated no. of properties not valued																
Years since last valuation (select)	1	1	1	1	1	1			1							
Frequency of valuation (select)	4	4	4	4	4	4			4							
Method of valuation used (select)	Market	Market	Market	Market	Market	Market	Market	Market						Market		
Base of valuation (select)	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.					Land & impr.		
Phasing-in properties s21 (number)																
Combination of rating types used? (Y/N)																
Flat rate used? (Y/N)	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes					Yes		
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable		Variable					Variable		
<b>Valuation reductions:</b>																
Valuation reductions-public infrastructure (Rm)																
Valuation reductions-nature reserves/park (Rm)																
Valuation reductions-mineral rights (Rm)																
Valuation reductions-R15,000 threshold (Rm)																
Valuation reductions-public worship (Rm)																
Valuation reductions-other (Rm)																
<b>Total valuation reductions:</b>																
Total value used for rating (Rm)	2 921	5	646	1 629					479							
Total land value (Rm)																
Total value of improvements (Rm)																
Total market value (Rm)	2 717		1 609	851	109		2									
<b>Rating:</b>																
Average rate																
Rate revenue budget (R '000)																
Rate revenue expected to collect (R'000)																
Expected cash collection rate (%)																
Special rating areas (R'000)																
Rebates, exemptions - indigent (R'000)																
Rebates, exemptions - pensioners (R'000)	19															
Rebates, exemptions - bona fide farm. (R'000)																
Rebates, exemptions - other (R'000)																
Phase-in reductions/discounts (R'000)																
<b>Total rebates,exemptns,eductns,discs (R'000)</b>																

## TARIFFS FOR 2012/2013

### ALL CHARGES ARE VAT EXCLUSIVE

<b>1.1 ASSESMENT RATES</b>	<b>EXISTING 2011/2012</b>	<b>PROPOSED 2012/2013</b>
Unimproved Residential Stands Marloth Park	R 0.03	R 0.04
Unimproved Residential Stands	R 0.03	R 0.04
Improved Residential Stands	R 0.01	R 0.01
Business	R 0.02	R 0.02
Agricultural	R 0.00	R 0.00
Nature reserve Sanpark		Exempt
Nature reserve Sanpark business properties		R 0.19
State Owned	R 0.01	R 0.01
PSI	R 0.04	R 0.00
<b>Rebates:</b>		
Private owned towns-Phase in 3 years 75%-50%-25%		
Residential- Consolidated or Notarial Tide - 2 stands	R 0.20	R 0.20
-3 stands	R 0.30	R 0.30
-4 stands or more	R 0.40	R 0.40
RDP Houses (Flat rate)	R 15.00	R 15.00
Entrance Control Levy - improved stands	R 35.00	R 35.00
Entrance Control Levy - unimproved stands	R 15.00	R 15.00
<b>1.2 ASSESSMENT RATES REBATE:</b>		
<p>In terms of Section 6 of the Local Government: Municipal Property Rates Act, 2004 (No 6 of 2004) a further remission be granted of pensioners and permanent disable persons on the following conditions:</p> <p>(i) An applicant shall be the registered owner and the permanent occupier of the property in question, which property is being used as at the date of application for sole purpose of accommodating one dwelling, which dwelling is being used for residential purposes only.</p> <p>(ii) Applicants shall be a pensioner of permanent medically disabled person with an income less than R1,200 per month 40% remission and with an income exceeding R1,200 per month but not more than R2,000 per month, 20% remission.</p> <p>(iii) The aforementioned detail shall be verified by an affidavit.</p> <p>That notice be given in terms of the Municipal Finance Act Management Act, (No 56 of 2003), to the effect that the assessment rates due on 1 July 2003 shall be payable in twelve equal monthly instalments on or before the due date printed on the face of the account, failing which, interest equal to the prime rate as determined by the South African Reserve Bank per annum, will be charged in terms of section 50A of the Local Government Ordinance (Ordinance 17 of 1939) on amounts in arrear after the fixed day and defaulters are liable to legal proceedings for recovery of such arrear amounts.</p>		

<b><u>2.1 WATER</u></b>	<b>EXISTING 2011/2012</b>	<b>PROPOSED 2012/2013</b>
Basic charge	R 73.41	R 80.71
Water consumption per kl	R 3.74	R 4.11
<b>Kamhlushwa Residential Yard Connections</b>		
1-6kl	R 3.62	R 3.98
6-20kl	R 4.59	R 5.04
20-40kl	R 5.03	R 5.53
40 + kl	R 5.37	R 5.90
<b>Kamhlushwa Stand Pipe</b>		
1-6kl	R 1.93	R 2.12
6-20kl	R 2.71	R 2.98
20-40kl	R 3.25	R 3.57
40 + kl	R 3.66	R 4.02
<b>Kamhlushwa Business</b>		
1-20kl	R 4.90	R 5.39
20-40kl	R 5.72	R 6.29
40 + kl	R 6.35	R 6.98
Phosaville	R 1.65	R 1.81
<b><u>2.2 MARLOTH PARK</u></b>		
Basic Charge	R 18.32	R 20.18
<b><u>3. ELECTRICITY</u></b>		
Basic charge Residential	R 49.56	R 100.00
Energy charge Residential kWh	R 0.84	R 0.97
Basic charge Business < 70 Amp (single phase)	R 165.95	R 300.00
Energy charge Business < 70 Amp (single phase)	R 0.83	R 0.96
179Basic charge Business < 150 Amp (three phase)	R 197.99	R 524.40
Energy charge Business <150 Amp (three phase)	R 0.83	R 0.96
Basic charge Business > 150 Amp (three phase)	R 363.94	R 798.00
Demand charge Business > 150 Amp (KVA three phase)	R 109.23	R 126.71
Energy charge Business > 160 Amp (three phase)	R 0.52	R 0.60
Domestic Prepay Tariff	R 1.02	R 1.18
Basic Charge Prepaid	NIL	NIL
<b><u>4. REFUSE</u></b>		
Refuse Residential once a week services	R 36.10	R 39.71
Refuse Residential twice a week services	R 72.88	R 80.16
Refuse Residential Rural once a week services	R 17.44	R 19.18
Refuse Business once a week services	R 48.16	R 52.97
Refuse Business twice a week services	R 105.88	R 116.46
Business - (one container)	R 102.15	R 112.36
- 1.75cubic meters (20 containers)	R 2 043.08	R 2 247.58
- 2.5cubic meters (29 containers)	R 2 558.45	R 2 814.29
OPublic Institutions Schools/Clinics	R 95.74	R 105.31
Clearing Grass and Bushes on Open Stands	R 729.23	R 802.15
Clearing of General Waste on Open Stands	R 512.93	R 564.22
Removal of Building Rubble	R 512.93	R 564.22
Removal of Garden Refuse	R 290.46	R 319.50
Cutting of Large Trees	R 290.46	R 319.50

<b>5. SEWERAGE</b>	<b>EXISTING 2011/2012</b>	<b>PROPOSED 2012/2013</b>
Sewerage Fixed charge (1 <sup>st</sup> 2 points)	R 117.76	R 129.53
Sewerage (Additional Points) per point	R 44.31	R 48.74
Available charge – Empty stands	R 58.30	R 64.13
Sewerage charge M'hlatikop per kl	R 2.34	R 2.57
Sewerage Fixed charge (1 <sup>st</sup> 2 points)Hectorspruit	R 53.64	R 59.00
Sewerage (Additional points) Hectorspruit per point	R 26.59	R 29.24
Chemical Toilet per day	R 729.23	R 802.15
Septic Tank Drainage	R 291.04	R 320.14
	R5.89/m(min	R6.47/m(min
<b>6. BUILDING PLAN FEES</b>		
<b>7. PAVEMENT DEPOSIT</b>	R 617.54	R 679.83
<b>8. TOWN PLANNING TARIFFS:</b>		
Application in accordance with Section 6 (1) of the division of Land, Ordinance 1986 (Ordinance No. 20 of 1986) – Division of farm portion	R 1 655.79	R 1 821.06
Application in accordance with Section 57 (1)(b) of the Town Planning and Township Ordinance, 1986 (Ordinance No.15 of 1986) – Reasons for Municipality's decision	R 277.90	R 306.15
Application in accordance with Section 56 (1)(a) of the Town Planning and Townships Ordinance, 1986 (Ordinance No.15 of 1986) – Amendment scheme/rezoning	R 2 063.96	R 2 270.18
Application in accordance with Section 96 (2)(b) of the Town Planning and Townships Ordinance, 1986 (Ordinance No.15 of 1986) – Townships Establishment Applications	R 4 820.71	R 5 302.64
Application in accordance with Section 96 (4)(a) of the Town Planning and Townships Ordinance, 1986 (Ordinance No.15 of 1986) – Amendment of a Township Establishment		
i) If already approved by Municipality	R 4 820.71	R 5 302.64
ii) If not already approved by Municipality	R 2 063.96	R 2 270.18
Application in accordance with Section 92 (1)(a) of the Town Planning and Townships Ordinance, 1986 (Ordinance No.15 of 1986) – Sub –division:		
i) For first five (x5) erven	R 413.96	R 455.27
ii) Six (x6) plus erven	R166.74/erf	R 183.34
Application in accordance with Section 92 (1)(b) of the Town Planning and Townships Ordinance, 1986 (Ordinance No.15 of 1986) – Consolidation	R 277.79	R 305.27
Application in accordance with Section 125 of the Town Planning and Townships Ordinance, 1986 (Ordinance No. 15 of 1986) – Amendment Scheme on Township Establishment Application:		
i) 1 to 100 erven	R 3 442.60	R 3 786.85
ii) 101 to 200 erven	R 3 752.63	R 4 540.36
iii) 201 to 500 erven	R 4 820.71	R 5 302.78
501 to 1000 erven	R 5 500.00	R 6 050.00
Hearing and inspection fees in accordance with Annexure 17 of Regulation 41 B@, of the Town Planning and Townships Ordinance 1986 (0.15 of 1986)	R 679.30	R 747.38
Application for special utilization rights (In terms of the Town Planning Schemes in operation, as well as the urban settlement areas) (consent use)	R 1 359.57	R 1 495.62
Issuing of Certificates	R 69.50	R 76.32



	<b>EXISTING 2011/2012</b>	<b>PROPOSED 2012/2013</b>
<b>9. SUNDRY TARIFFS:</b>		
1. Reason for Council's decision	R 878.08	R 965.79
2. Building relaxations Fees	R 692.82	R 762.29
3. General information (written)	R14.91 per letter	R16.67 per letter
4. Building Inspections: Swimming pools	R 130.27	R 142.99
5. Sub Division of Stand – service contribution (civil)	R 6 550.79	R 7 205.86
<b>10.ESTATES &amp; BUILDINGS:RENTAL</b>		
<b>10.1 MARLOTH PARK</b>		
<b>i) Chalets per night</b>		
Non Property Owners	R 322.80	R 355.27
Property Owner	R 281.76	R 309.65
Persons 60+ (public & school holidays excluded)	R 195.62	R 214.92
	<b>EXISTING 2011/2012</b>	<b>PROPOSED 2012/2013</b>
<b>ii) Rondavels per night</b>		
Non Property Owne	R 272.80	R 300.00
Property Owner	R 222.80	R 244.74
Persons 60+ (public & school holidays excluded)	R 173.69	R 191.23
<b>iii) Caravan Sites</b>		
Non Property Owner	R 108.78	R 119.30
Property Owner	R 92.64	R 101.76
Persons 60+ (public & school holidays excluded)	R 92.99	R 102.64
<b>iv) Entrance Fees</b>		
Henk van Rooyen Park		
Property Owner	Free	Free
Non Property Owner	R43.86 per person	R48.26 per person
Rental Recreation Centre	R100.00 p/day	R109.65 per day
Lionspruit		
Non Property Owner	R52.63 per vehicle	R 57.90
Safari Game Vehicles	R163.15 per vehicle	178.84 per vehicle
Season Tickets - Property Owner (1 <sup>st</sup> ticket)	Free	Free
- Property Owner 2 <sup>nd</sup> ticket)	R 260.53	R 286.58
- Non Property Owner	R 927.19	R 1 020.18
Deposit	R 247.37	R 271.93
Rental – Private per day	R 617.54	R 679.83
- Church Services per day	R 134.21	R 149.13

	EXISTING 2011/2012	PROPOSED 2012/2013
<b>10.3 STADIUMS</b>		
Deposit	R 617.54	R 679.83
Rental – per day	R 1 235.08	R 1 359.65
Churches	R 495.61	R 544.72
<b>10.4 CEMETERIES</b>		
<b>10.4.1 URBAN</b>		
<u>Burial Fees:</u>		
Within jurisdiction - Adults	R 600.88	R 660.53
Nl. (Kaapmuiden) - Children	R 421.05	R 463.16
(Malelane & Hectorspruit) - Internment in one grave – additional	R 120.18	R 131.58
Outside jurisdiction - Adults	R 721.05	R 793.86
- Children	R 479.83	R 526.32
Enlargement of Grave	R 120.18	R 131.58
<u>Reserving Graves:</u>		
Per grave per person resident in jurisdiction at time of decease	R 300.88	R 330.71
Per grave per person NOT resident in jurisdiction at time of decease	R 539.47	R 592.99
Per niche	R 179.83	R 197.37
<u>Wall of Remembrance:</u>		
Per single niche, per single emplacement	R 300.88	R 330.71
Per Double niche, per double emplacement	R 539.47	R 592.99
<u>Memorial Stones:</u>		
Consent for erection of memorial stone	R 120.18	R 131.58
Re-opening of Graves	R 300.88	R 330.71
<b>10.4.2 RURAL</b>		
<u>Burial Fees:</u>		
In jurisdiction - Adults	R 96.49	R 106.15
Nl. (Kamhlushwa) - Children	R 42.98	R 47.37
- Internment in one grave – additional	R 30.70	R 33.34
Outside jurisdiction - Adults	R 120.18	R 131.58
- Children	R 72.81	R 79.83
Enlargement of Grave	R 30.70	R 34.22
<u>Reserving Graves:</u>		
Per grave per person resident in jurisdiction at time of decease	R 300.88	R 330.71
Per grave per person NOT resident in jurisdiction at time of decease	R 539.47	R 592.99
<u>Memorial Stones:</u>		
Consent for erection of memorial stone	R 84.21	R 92.11
<u>Wall of Remembering:</u>		
Per single niche	R 300.88	R 330.71
Re-opening of Graves	R 300.88	R 330.71

	EXISTING 2011/2012	PROPOSED 2012/2013
<b>11. HAWKER FEES:</b>		
Rent of Site Fee (per month)	R 19.30	R 21.06
License Application Fee	R 67.54	R 74.57
Hawker License (per annum)	R 147.64	R 162.23
Taxi Rank Fees (per annum)	R 220.00	R 242.00
<b>12. BANNERS, POSTERS &amp; ADVERTISEMENT</b>		
Deposit: Posters (excluding elections)	R 617.54	R 678.95
Deposit: Posters in a elections	R 926.33	R 1 018.96
Deposit: For each banner	R 617.54	R 678.95
Application Fee for Public Display of Advertisement Boards	R 372.46	R 409.70
Public Display of Advertisement Boards smaller than 6 m <sup>2</sup>	R 926.33	R 1 018.96
Public display of Advertisement Boards bigger than 6 m <sup>2</sup>	R 2 472.11	R 2 719.32
Advertisement on Municipal Statements	R275.00pm.	R 302.50
Display of Billboards	R6180.27 per annum	6798.29 per annum
Illuminated Signs	R100.00 p/m	110 p/m
Temporary Signs	R100.00 per sign	110 per sign
Street Name Advertising Structures	R 926.33	R 1 018.96
Loose Standing Signs	R 926.33	R 1 018.96
Street Light Poles (N4)	R7 200.00 per annum	7920 per annum
Advertisement on Municipal Trucks	R3706.23 per annum	R 4 076.85
Poundage Fee	R100-00 per day	110.00 per day
<b>Furnishing of information and issuing of Certificates:</b>		
Application of Safety Certificate	R 61.76	R 67.55
Issuing of Safety certificate	R 123.51	R 135.97
<b>13. LIBRARY:</b>		
Membership Fees: Adult per year	R 55.26	R 60.53
Membership Fees: Children under 18 years, pensioner & students	R 24.56	R 26.32
Penalties: Books per week	R 2.41	R 2.64
Special Demand	R 6.27	R 7.02
Visitor's Deposit	R 149.58	R 164.04
<b>14. FEE GENERAL CLEANSING:</b>		
i) Removal of building rubbish	R275.00 per month	302.5 per month
ii) Removal of gardening rubbish	R72.37 per month	79.6 per month
iii) Cleaning of Stand	R275.00 per month	302.5 per month

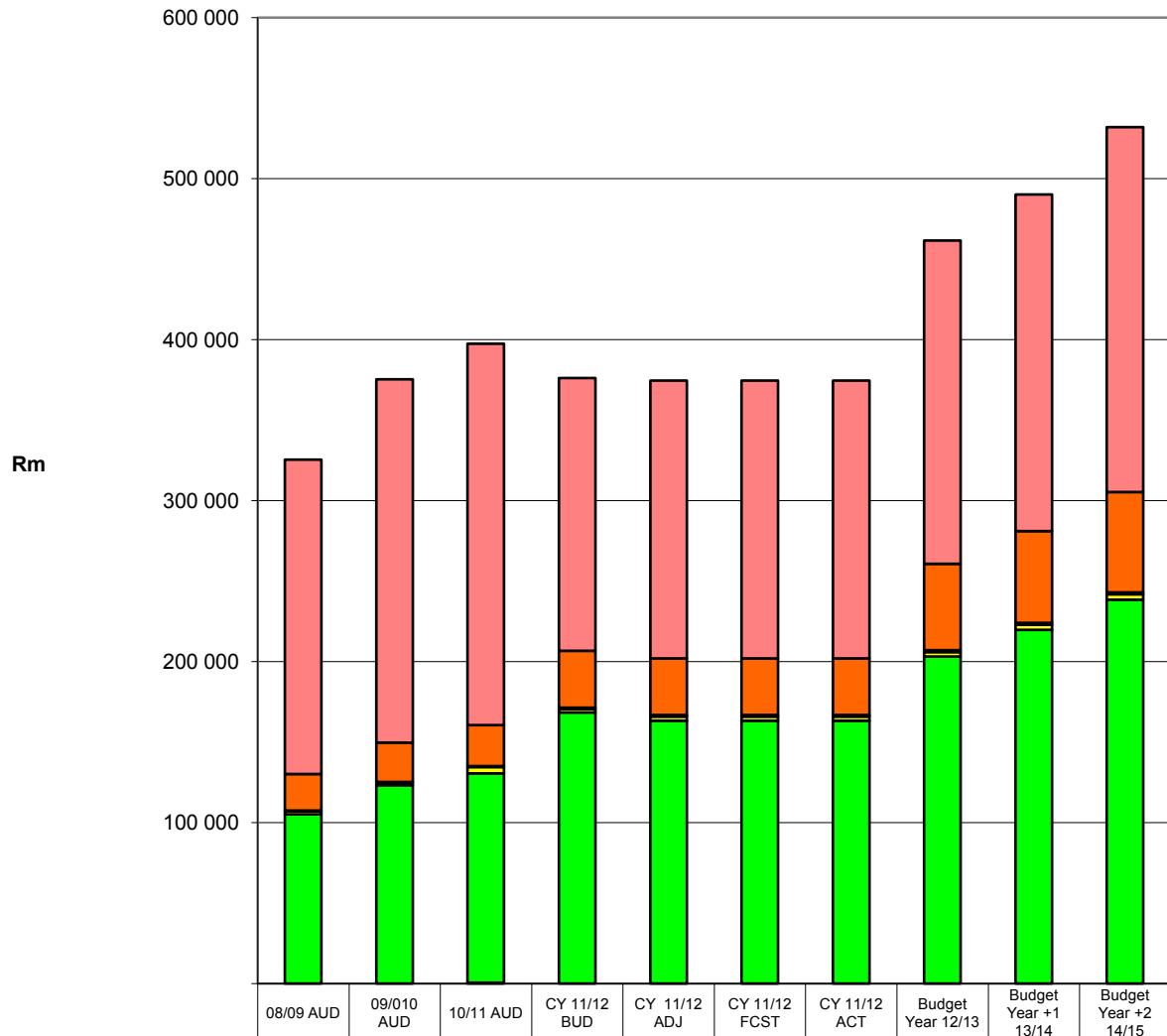
<b>15. FURNISHING OF INFORMATION AND ISSUING OF CERTIFICATES</b>	<b>EXISTING 2011/2012</b>	<b>PROPOSED 2012/2013</b>
Clearance Certificates/clearance Cost	R 54.39	R 61.41
Valuation Certificates	R 43.42	R 48.25
Search Fees	R 43.42	R 48.25
Photocopies: - A4-size	R 2.41	R 0.88
- A3-size	R 3.87	R 1.32
Colour copies - A4	R 3.38	R 1.76
Internet Fees: - 20 Min	R 9.66	R 10.53
- 30 Min	R 14.48	R 15.79
- 1 Hour	R 28.96	R 31.85
- 5 Hours	R 96.50	R 106.15
Tender documents	R 570.18	R 627.20
Faxes per page	R 4.35	R 3.50
Cheque Refer to Drawer	R 149.57	R 164.04
Copy of Voter Roll	R3.38 per page	R3.50 per page
Copies of Valuation Roll	R3.38 per page	R3.50 per page
Electronic Copy of Valuation Roll	R 863.60	R 950.00
<b>16. CONNECTION FEES</b>		
<b>16.1 WATER</b>		
Nkomazi	R 1 794.74	R 1 973.69
25mm	R 2 064.91	R 2 271.93
Water connection Rural areas		R 482.46
Deposits Rural areas		R 400.00
Testing of Water Meter	R 185.27	R 203.51
Supply and Installation of meter	Actual cost +15% larger than 25mm	Actual cost +15% larger than 25mm
Changes in installation	Actual cost +15% larger than 25mm	Actual cost +15% larger than 25mm
Civil Service Contribution	R 6 797.82	R 7 477.20
<b>16.2 ELECTRICITY</b>	R 3 150.45	R 3 464.04
Nkomazi - single phase	R 5 253.96	R 5 778.95
- 3 phase	R 1 114.48	R 1 227.20
- single phase pre-paid	R 3 150.45	R 3 464.04
	R 2 719.95	R 2 991.23
Temporary Connection	R 188.16	R 207.02
Connection due to non payment	R 247.99	R 271.93
Call out - Nkomazi	R 247.99	R 700.00
Tampering with meter	R3956.14 plus	R 4 351.76
Use of fire hydrant	R308.77 plus	339.64 plus
Testing	Actual cost +15%	Actual cost +15%
Supply and Installation of meter box	Actual cost +15%	Actual cost +15%
Changes in installation	Actual cost + 15%	Actual cost + 15%
Service contribution (civil)	R 2 412.28	R 2 653.50

	EXISTING 2011/2012	PROPOSED 2012/2013
<b><u>17. CLINIC FEES</u></b>		
Health Certificate	R260.53 per certificate	275.44 per certificate
Water Test Result - Bacterial	R 652.24	R 717.46
- Chemical	R 323.25	R 355.57
<b><u>18. BUSINESS FEES</u></b>		
Business License per annum	R 371.50	R 407.90
Application of Business License	R 149.57	R 164.04
Other Chargeable Properties:		
RDP HOUSES	R 19.30	R 21.93
<b><u>19. BULK SERVICE CONTRIBUTIONS</u></b>		
Residential 1 – Per residential unit	R34 440.00	R 37 884.00
Residential 2 – Per residential unit	R24 360.00	R 26 796.00
Residential 3 – Per 100m <sup>2</sup> floor area	R20 790.00	R 22 869.00
Second dwellings – Per application	R22 260.00	R 24 486.00
Offices – Per 100m <sup>2</sup> building floor area	R19 320.00	R 21 252.00
Hotels & Hostels - Per 100m <sup>2</sup> building floor area	R15 330.00	R 16 863.00
Doctors & Dentists- Per 100m <sup>2</sup> building floor area	R18 743.00	R 20 617.30
<b><u>Schools &amp; Creches:</u></b>		
Buildings – Per 100m <sup>2</sup> building floor area	R 10 920.00	R 12 012.00
Size of the Stand- per ha	R157 500.00	R 173 250.00
Dry Industrial – Per 100m <sup>2</sup> of building floor area	R 18 900.00	R 20 790.00
Wet Industrial – Per 100m <sup>2</sup> of building floor area	R 50 925.00	R 56 017.50
<b><u>Clubs &amp; Sport Facilities:</u></b>		
Buildings – Per 100m <sup>2</sup> of building floor area	R 8 610.00	R 9 471.00
Size of the Stand – per ha	R157 500.00	R 173 250.00
<b><u>Sport Stadiums:</u></b>		
Buildings – Per 100m <sup>2</sup> of building floor area	R 15 960.00	R 17 556.00
Size of the Stand – per ha	R157 500.00	R 173 250.00
Warehouses – Per 100m <sup>2</sup> of building floor area	R 4 830.00	R 5 313.00
Parks – per ha	R157 500.00	R 173 250.00
Laundries– Per 100m <sup>2</sup> of building floor area	R 24 990.00	R 27 489.00
Butchery– Per 100m <sup>2</sup> of building floor area	R27 143.00	R 29 857.30
Hairdressers– Per 100m <sup>2</sup> of building floor area	R37 643.00	R 41 627.30
Panel Beaters– Per 100m <sup>2</sup> of building floor area	R19 425.00	R 21 367.50
<b><u>Nursery:</u></b>		
Buildings – Per 100m <sup>2</sup> of building floor area	R9 030.00	R 9 933.00
Size of the Stand – per ha	R157 500.00	R 173 250.00
Hospitals - Per 100m <sup>2</sup> of building floor area	R39 690.00	R 43 659.00
Restaurants – Per 100m <sup>2</sup> of building floor area	R26 040.00	R 28 644.00
Other commercial, excl. shopping centres – per 100m <sup>2</sup> floor area	R18 060.00	R 19 866.00
Institutional – per 100m <sup>2</sup> building floor area	R25 043.00	R 27 547.30

	EXISTING 2011/2012	PROPOSED 2012/2013
<b><u>Agricultural holding:</u></b>		
Buildings – per Residential Unit	R18 690.00	R 20 559.00
Size of the stand – per ha	R26 250.00	R 28 875.00
Laboratories – per 100m <sup>2</sup> of building floor area	R17 693.00	R 19 462.30
Bus Depots – Per Bus facility	R19 845.00	R 21 829.50
<b><u>Other Developments:</u></b>		
Water Services – per kl AADD	R10 500.00	R 11 550.00
Sewer Services – per kl AWWF	R10 500.00	R 11 550.00
Electrical Services – Per KVA	R1 365.00	R 1 501.50
Roads & Stormwater – Sum		
<b><u>LINK SERVICE CONTRIBUTIONS:</u></b>		
To be Determined per Application		
<b><u>20. ROADS:</u></b>		
Grader	R482.00 p/h	530.20ph
TLB	R275.00 p/h	302.50ph
High up	R200.00ph	220.00ph

## **OTHER SUPPORTING DOCUMENTS (GRAPHS)**

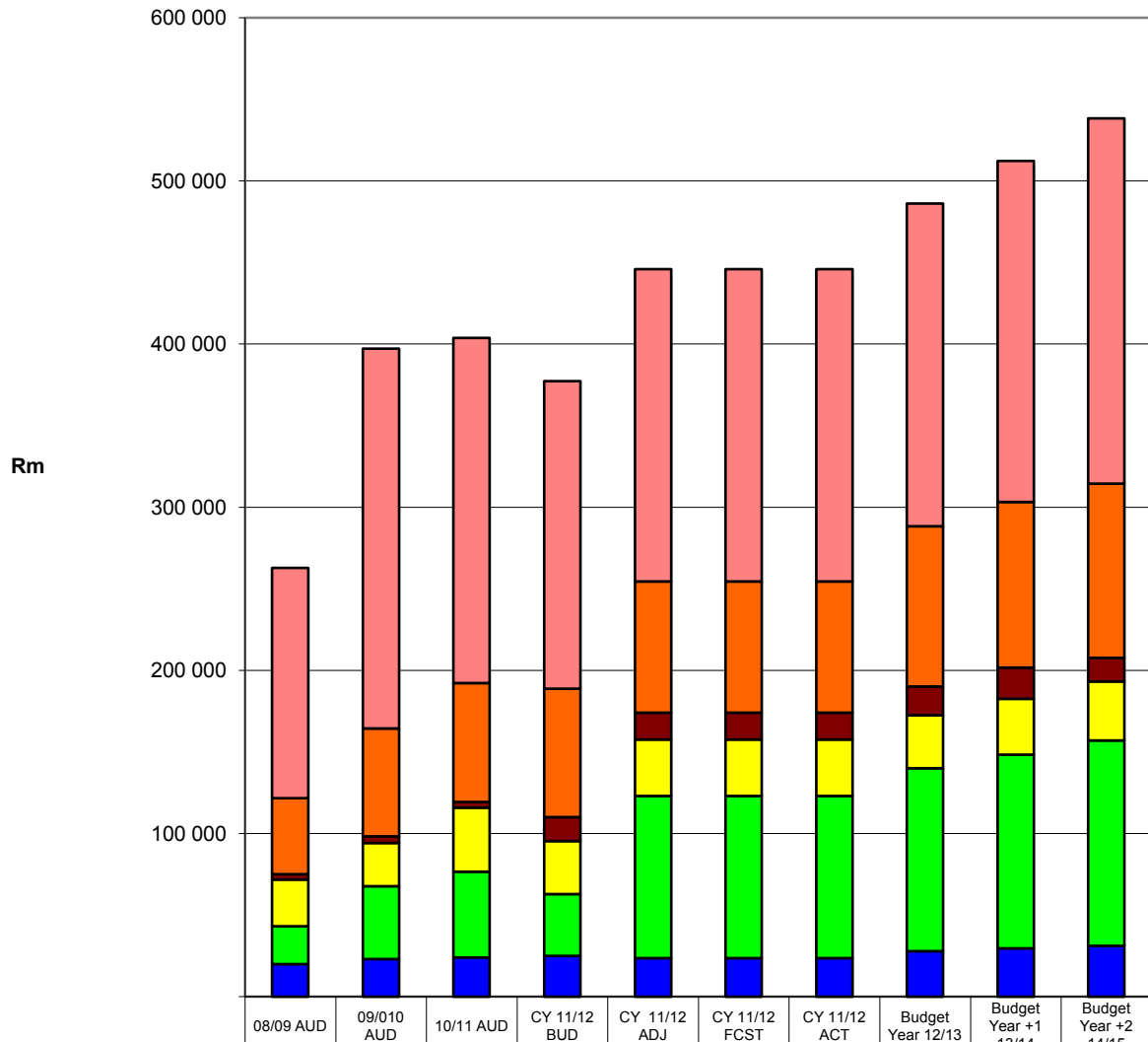
Revenue by Municipal Vote classification - Chart A1



INFRASTRUCTURE & DEVELOPMENT	195 310	225 577	236 912	169 501	172 605	172 605	172 605	200 843	209 105	226 723
COMMUNITY & SOCIAL SERVICES	22 746	24 473	25 524	35 217	35 217	35 217	35 217	53 806	57 080	62 213
PLANNING & DEVELOPMENT	342	304	556	882	882	882	882	1 048	1 152	1 268
CORPORATE SERVICES	1 971	1 687	3 826	2 177	2 590	2 590	2 590	2 764	3 011	3 279
BUDGET & TREASURY OFFICE	105 096	123 301	130 144	168 336	163 336	163 336	163 336	203 186	219 799	238 494
EXECUTIVE & COUNCIL			495							

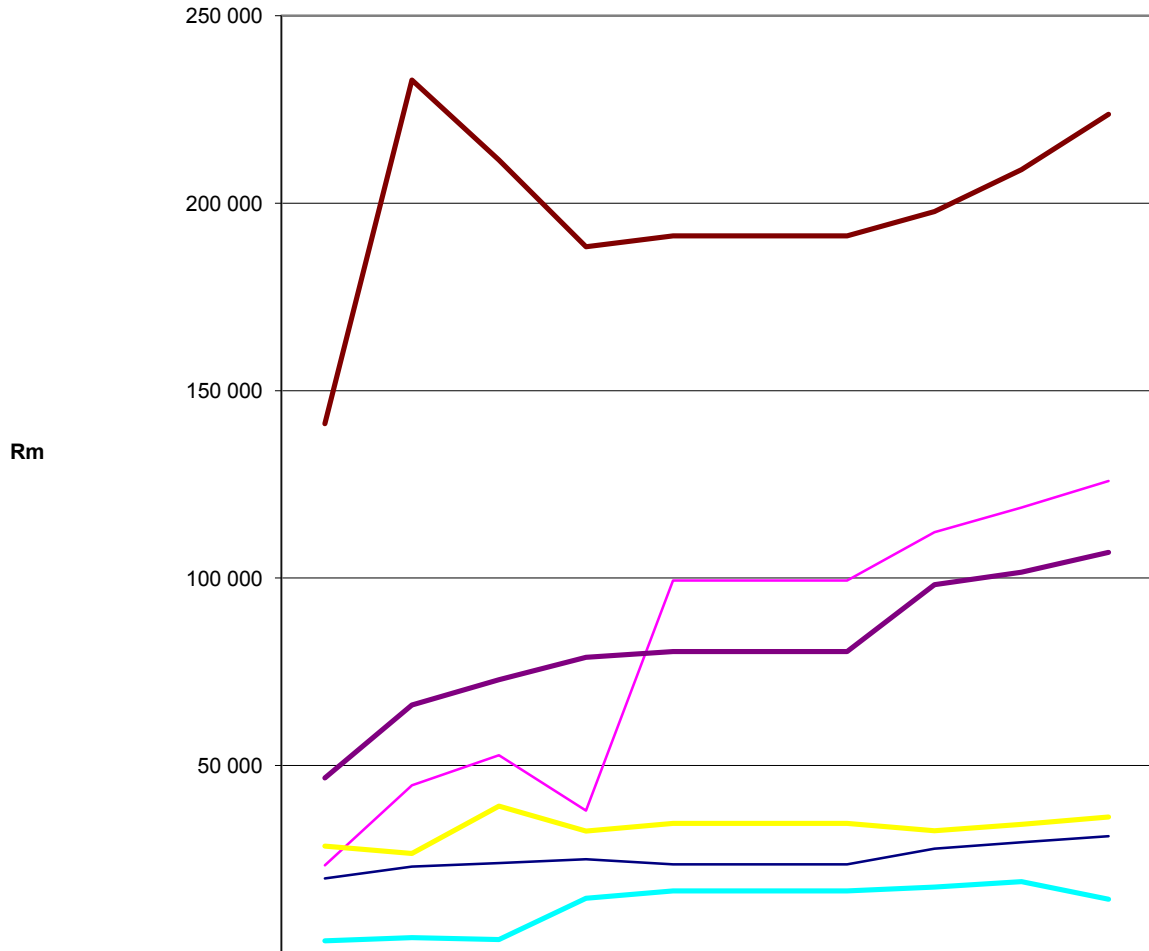


**Expenditure by Municipal Vote - Chart A2a**



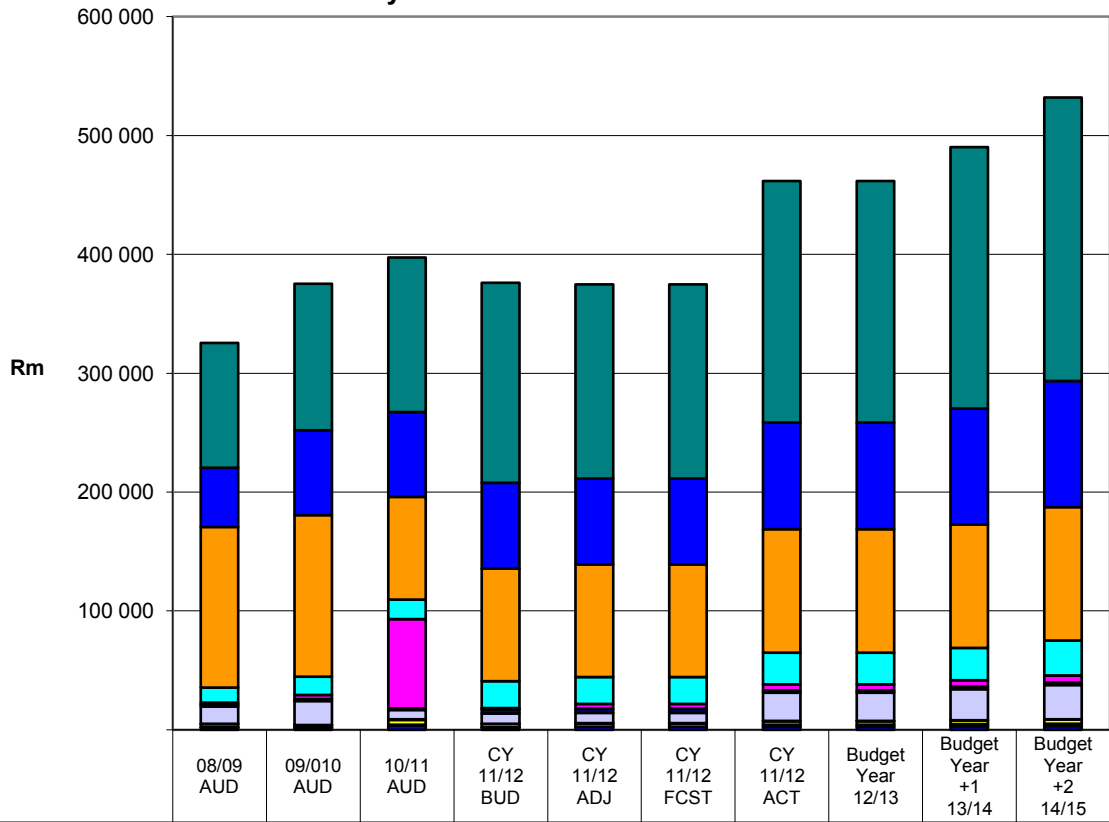
■ INFRASTRUCTURE & DEVELOPMENT	141 187	232 876	211 497	188 423	191 292	191 292	191 292	197 774	209 009	223 759
■ COMMUNITY & SOCIAL SERVICES	46 644	66 113	72 917	78 859	80 389	80 389	80 389	98 250	101 530	106 885
■ PLANNING & DEVELOPMENT	3 250	4 041	3 527	14 548	16 548	16 548	16 548	17 578	19 037	14 349
■ CORPORATE SERVICES	28 480	26 523	39 164	32 474	34 569	34 569	34 569	32 554	34 261	36 227
■ BUDGET & TREASURY OFFICE	23 371	44 688	52 739	37 951	99 366	99 366	99 366	112 207	118 796	125 897
■ EXECUTIVE & COUNCIL	19 881	22 989	23 949	25 004	23 657	23 657	23 657	27 843	29 547	31 143

**Expenditure by Municipal Vote - Chart A2 (b Trend)**



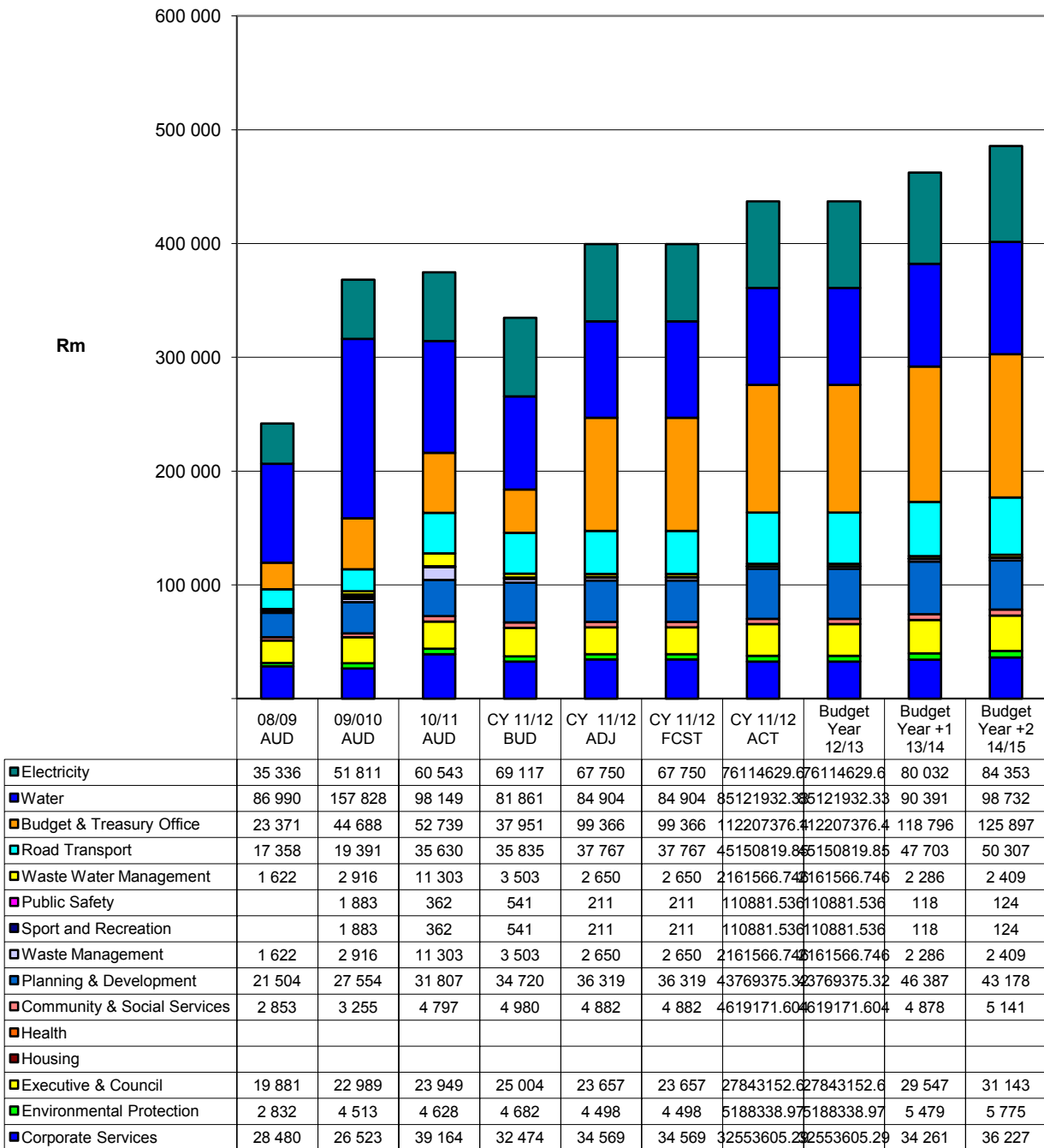
	08/09 AUD	09/010 AUD	10/11 AUD	CY 11/12 BUD	CY 11/12 ADJ	CY 11/12 FCST	CY 11/12 ACT	Budget Year 12/13	Budget Year +1 13/14	Budget Year +2 14/15
EXECUTIVE & COUNCIL	19 881	22 989	23 949	25 004	23 657	23 657	23 657	27 843	29 547	31 143
BUDGET & TREASURY OFFICE	23 371	44 688	52 739	37 951	99 366	99 366	99 366	112 207	118 796	125 897
CORPORATE SERVICES	28 480	26 523	39 164	32 474	34 569	34 569	34 569	32 554	34 261	36 227
PLANNING & DEVELOPMENT	3 250	4 041	3 527	14 548	16 548	16 548	16 548	17 578	19 037	14 349
COMMUNITY & SOCIAL SERVICES	46 644	66 113	72 917	78 859	80 389	80 389	80 389	98 250	101 530	106 885
INFRASTRUCTURE & DEVELOPMENT	141 187	232 876	211 497	188 423	191 292	191 292	191 292	197 774	209 009	223 759

Revenue by standard classification - Chart A3

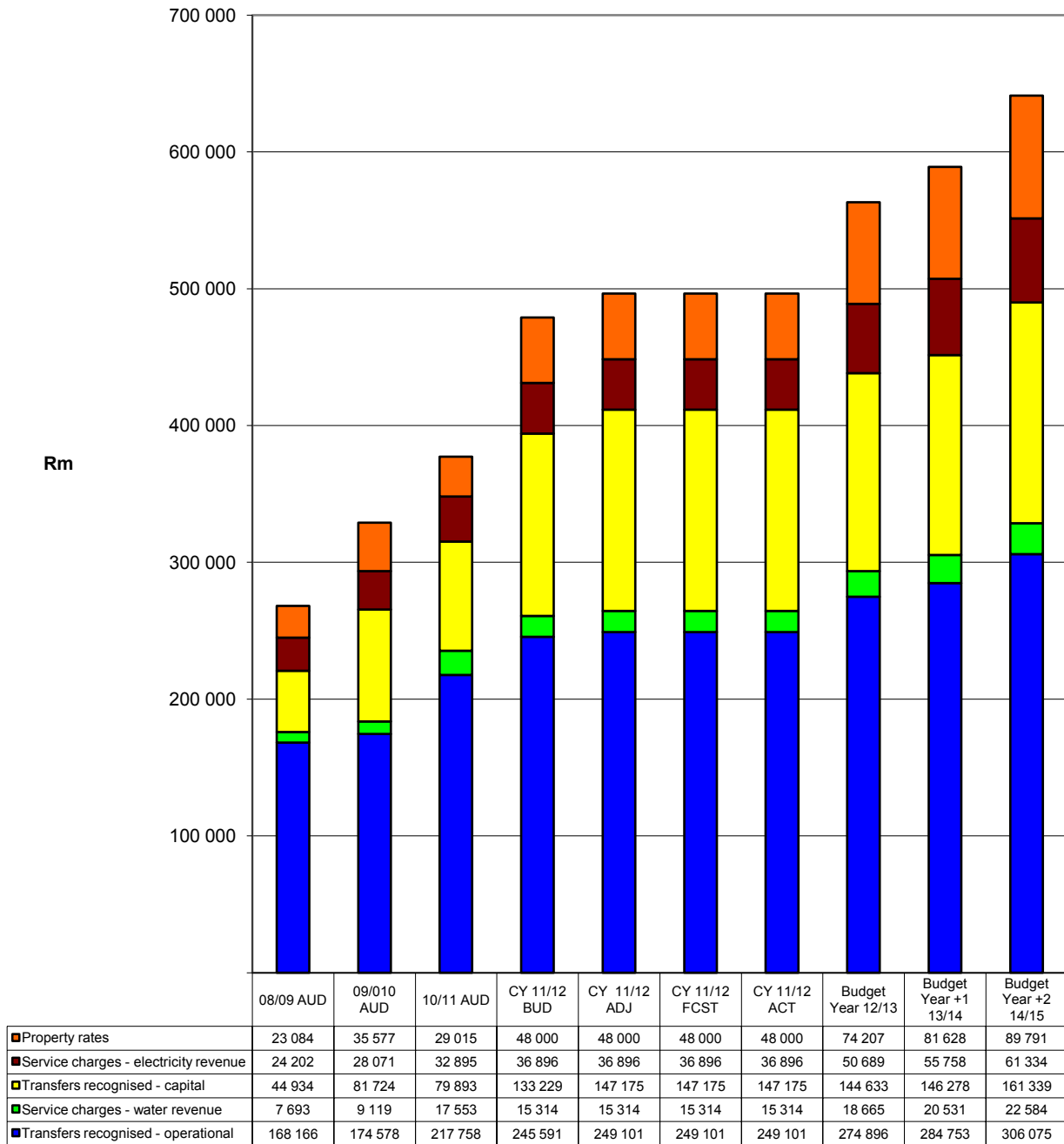


	08/09 AUD	09/010 AUD	10/11 AUD	CY 11/12 BUD	CY 11/12 ADJ	CY 11/12 FCST	CY 11/12 ACT	Budget Year 12/13	Budget Year +1 13/14	Budget Year +2 14/15
■ Budget & Treasury Office	105 096	123 301	130 144	168 336	163 336	163 336	203 186	203 186	219 799	238 494
■ Electricity	49 805	71 510	71 318	72 081	72 081	72 081	89 646	89 646	97 479	106 148
■ Water	134 938	135 949	86 322	94 669	94 743	94 743	104 088	104 088	103 990	112 232
■ Waste Management	12 726	15 343	16 538	22 806	22 806	22 806	26 583	26 583	27 136	29 274
■ Housing										
■ Planning & Development	1 539	3 433	75 109	882	3 911	3 911	5 131	5 131	5 460	5 948
■ Public Safety	1 729	1 470	1 385	3 519	3 519	3 519	1 913	1 913	2 104	2 315
■ Road Transport	14 509	20 198	7 791	8 724	8 724	8 724	23 654	23 654	26 019	28 621
■ Community & Social Services	346	63	145	101	101	101	111	111	122	134
■ Health										
■ Sport and Recreation										
■ Executive & Council			495							
■ Waste Water Management	2 771	2 270	4 045	2 708	2 708	2 708	2 978	2 978	3 276	3 604
■ Environmental Protection	34	117	338	110	110	110	1 593	1 593	1 752	1 927
■ Corporate Services	1 971	1 687	3 826	2 177	2 590	2 590	2 764	2 764	3 011	3 279

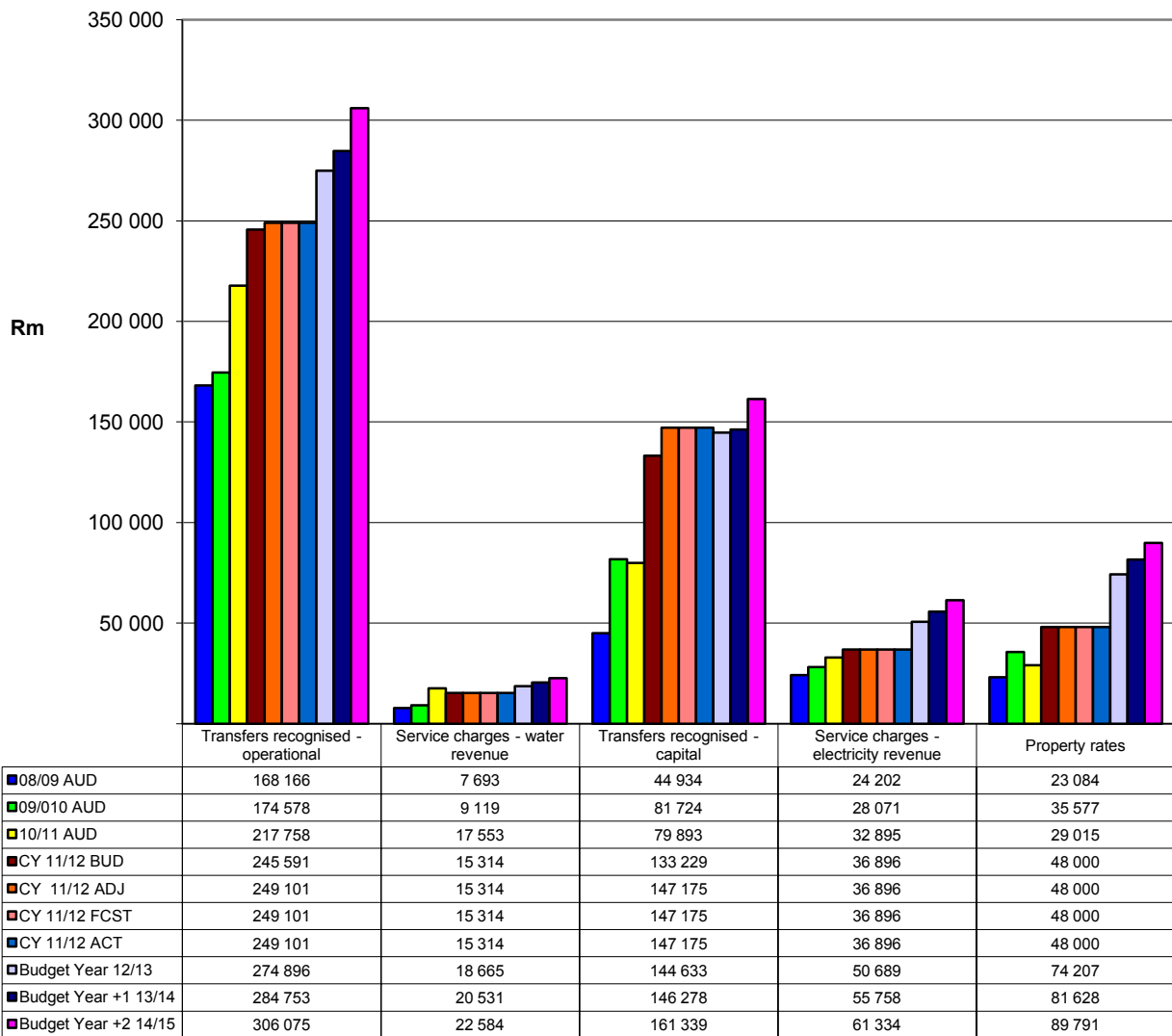
Expenditure by standard classification - Chart A4



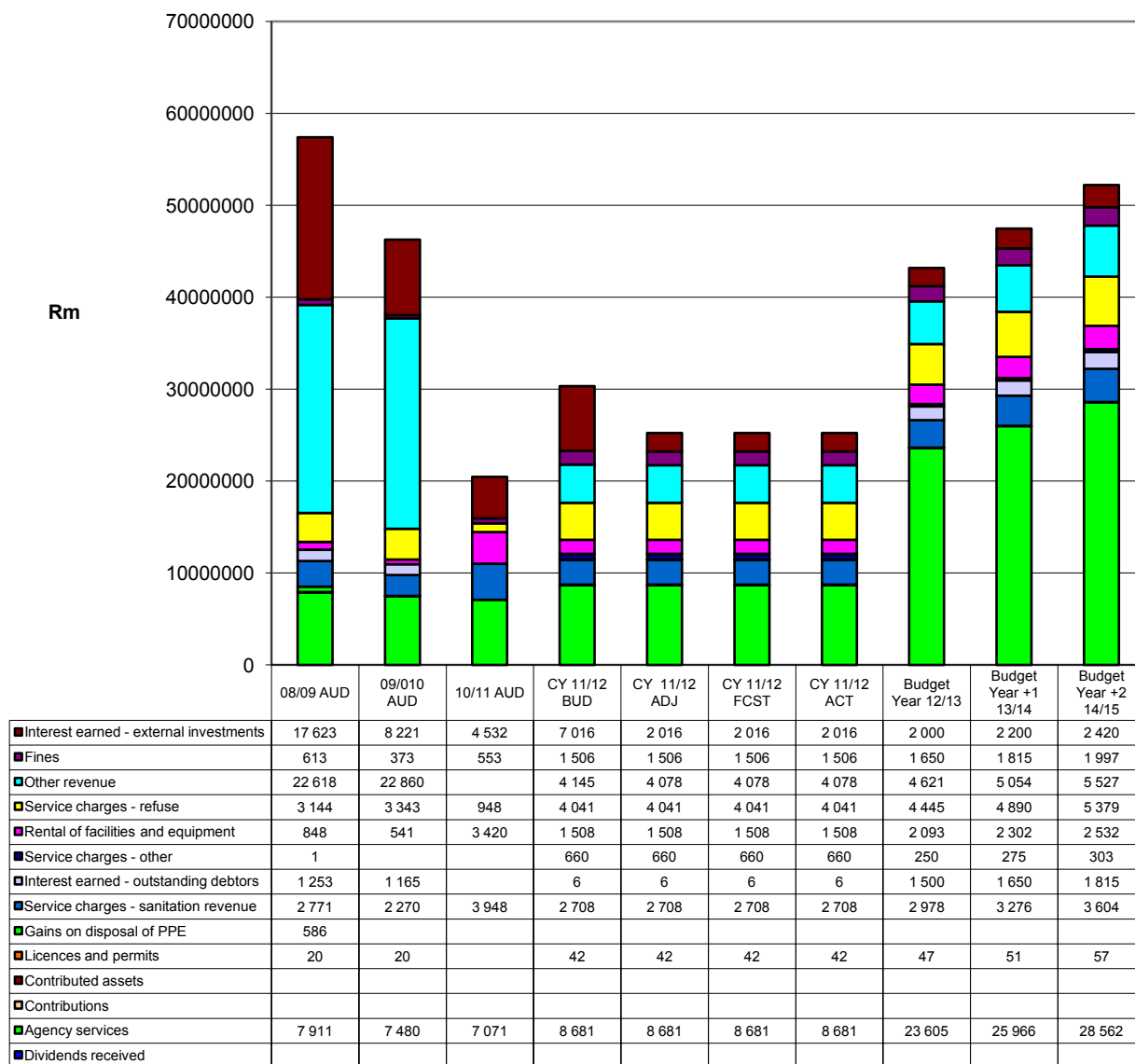
Revenue by Source - Major - Chart A5(a)



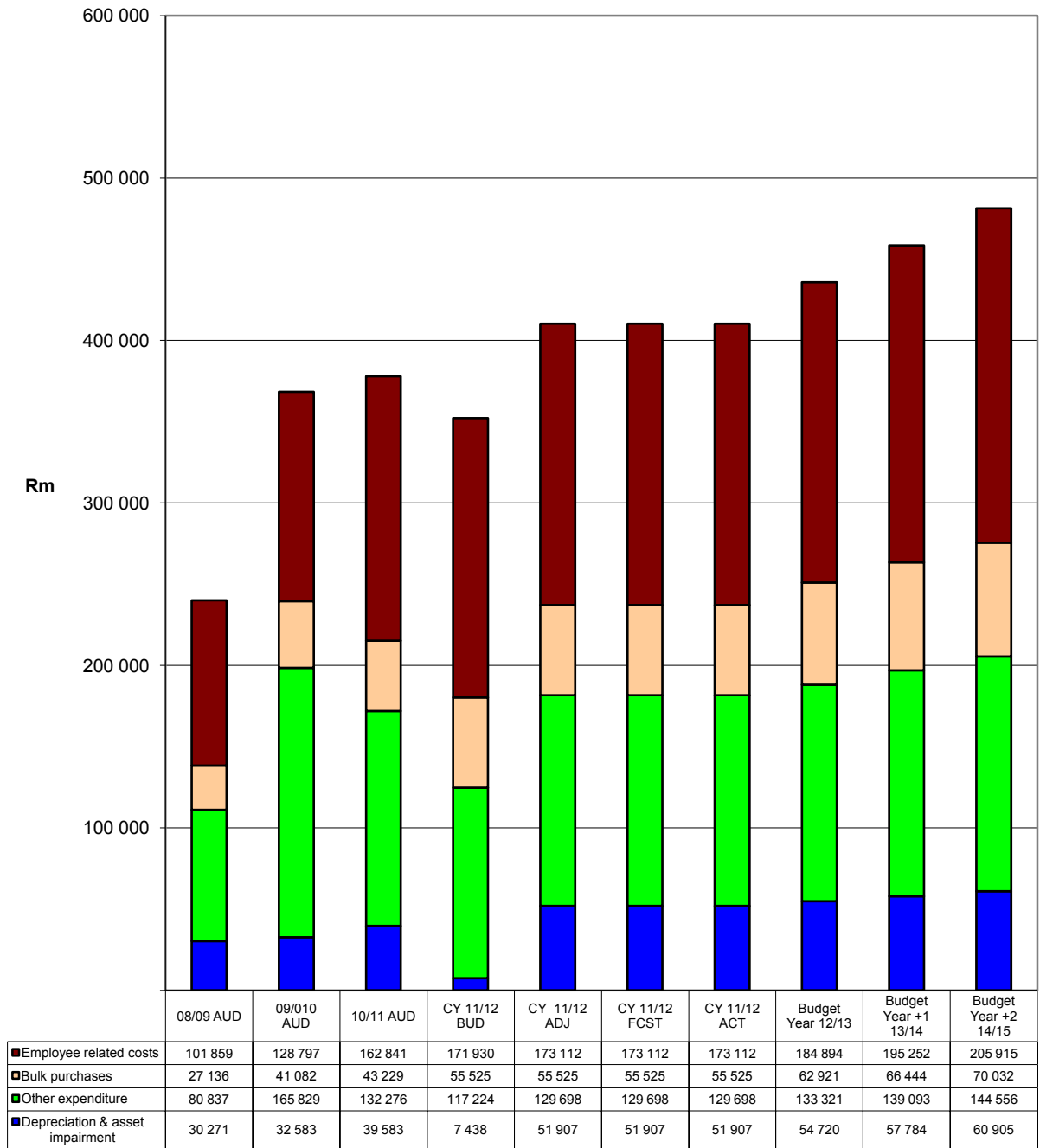
Revenue by Source - Major - Chart A5(b) - source trend



Revenue by Source - Minor - Chart A6

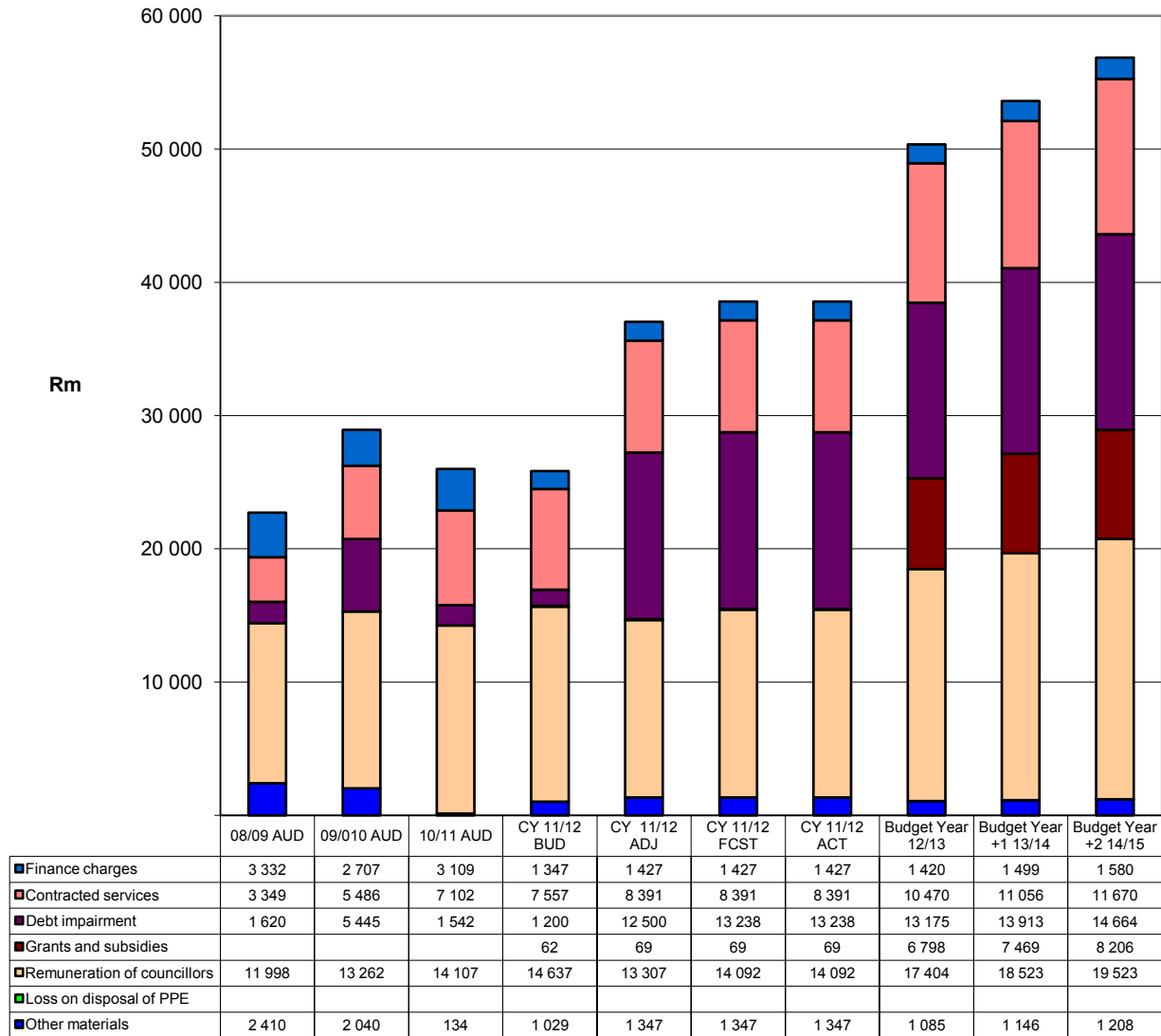


**Expenditure by Type - Major - Chart A7**

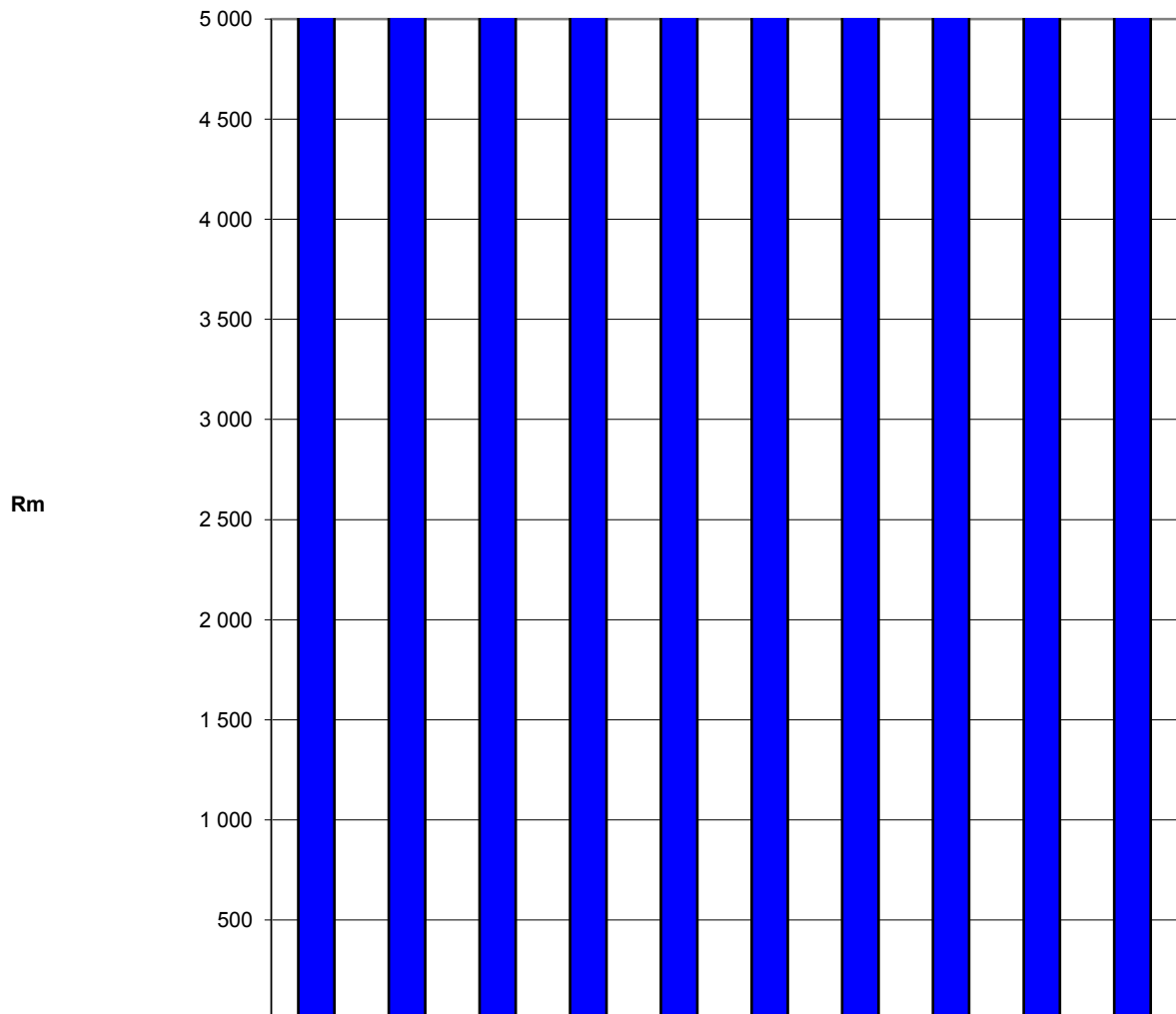




**Expenditure by Type - Minor - Chart A7**

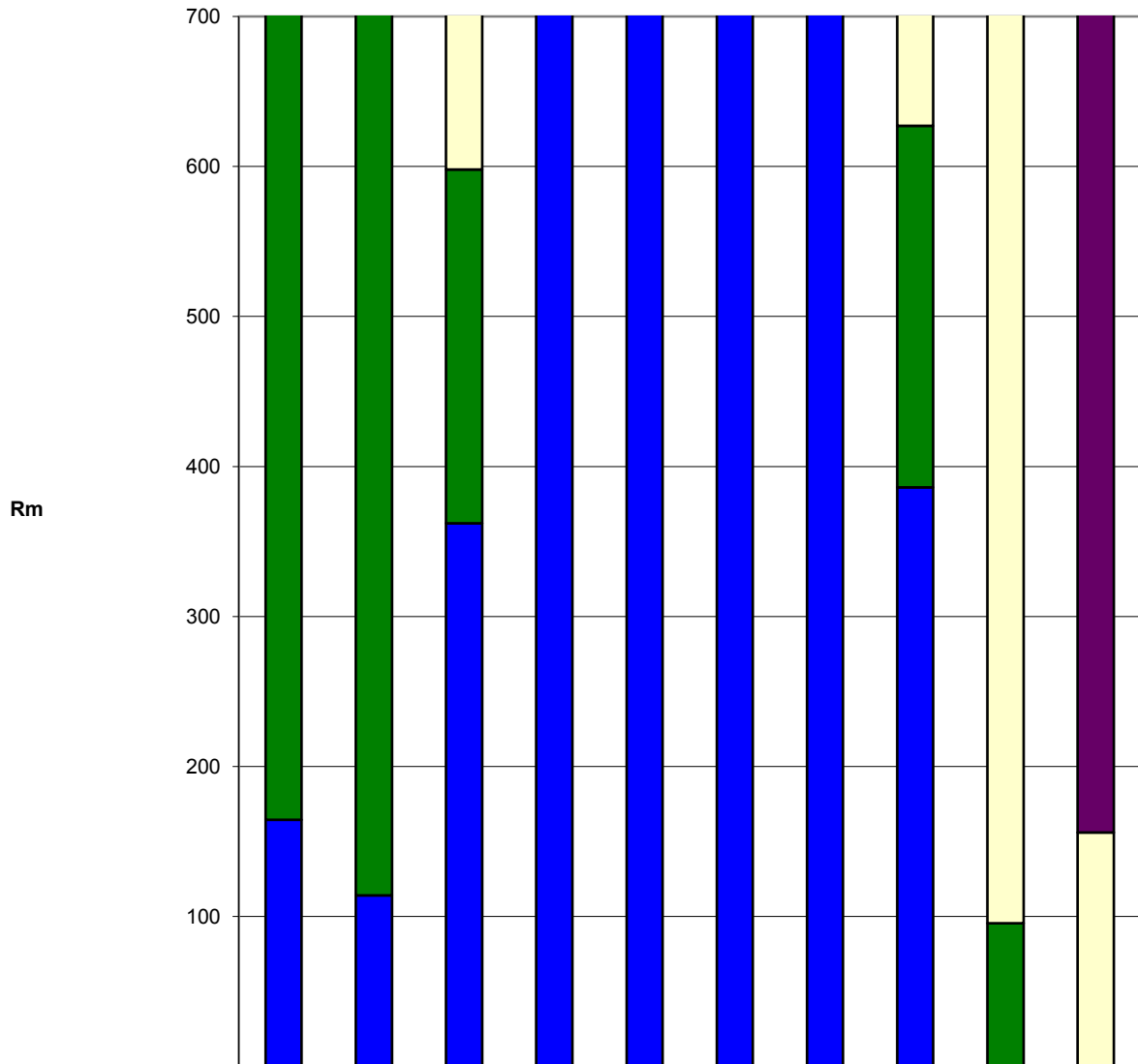


**Capital expenditure by Municipal Vote (Major) - Chart A9**



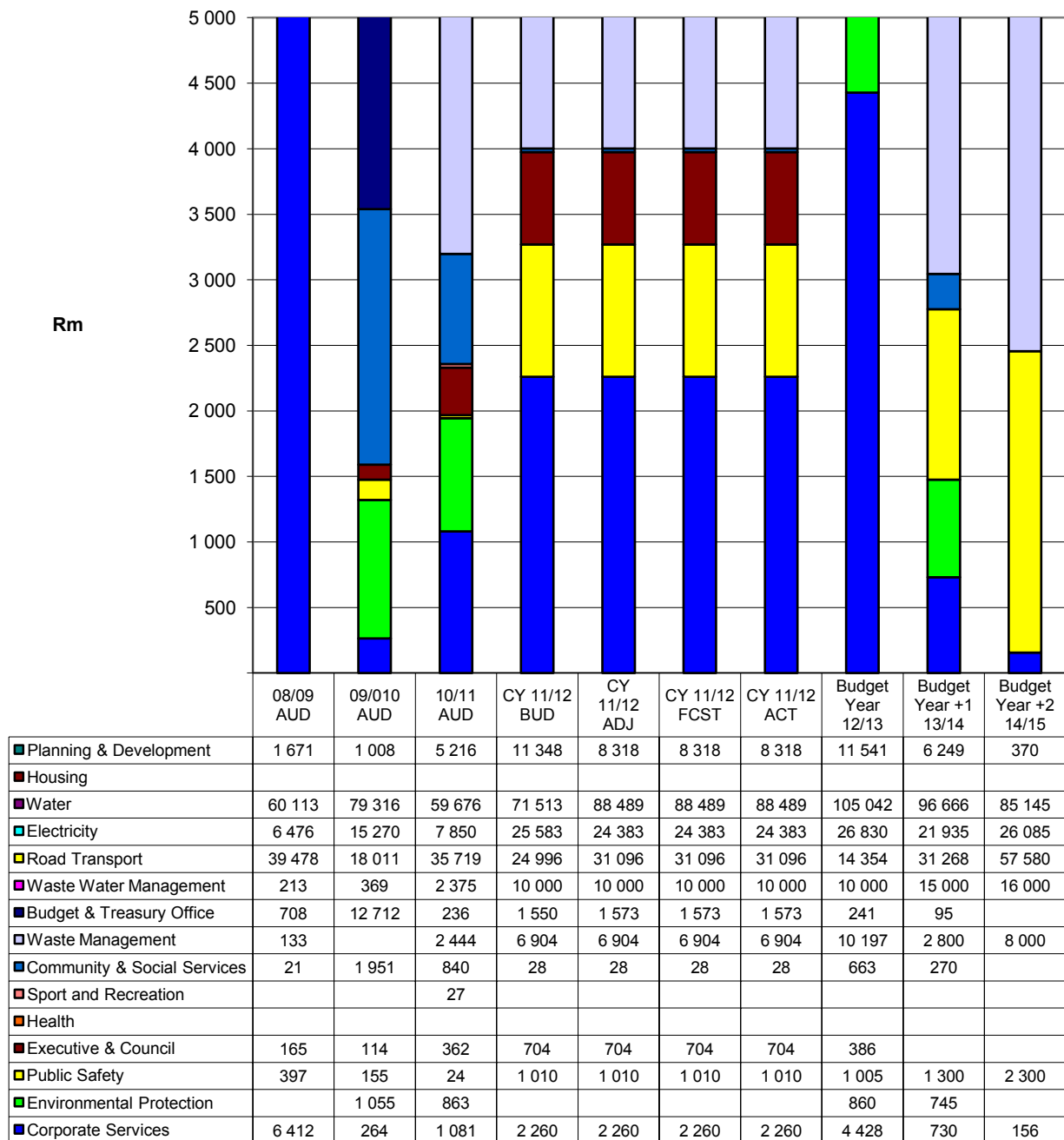
■ INFRASTRUCTURE & DEVELOPMENT	106 382	109 254	109 174	135 076	153 922	153 922	153 922	155 440	164 803	184 754

**Capital expenditure by Municipal Vote (Minor) - Chart A10**

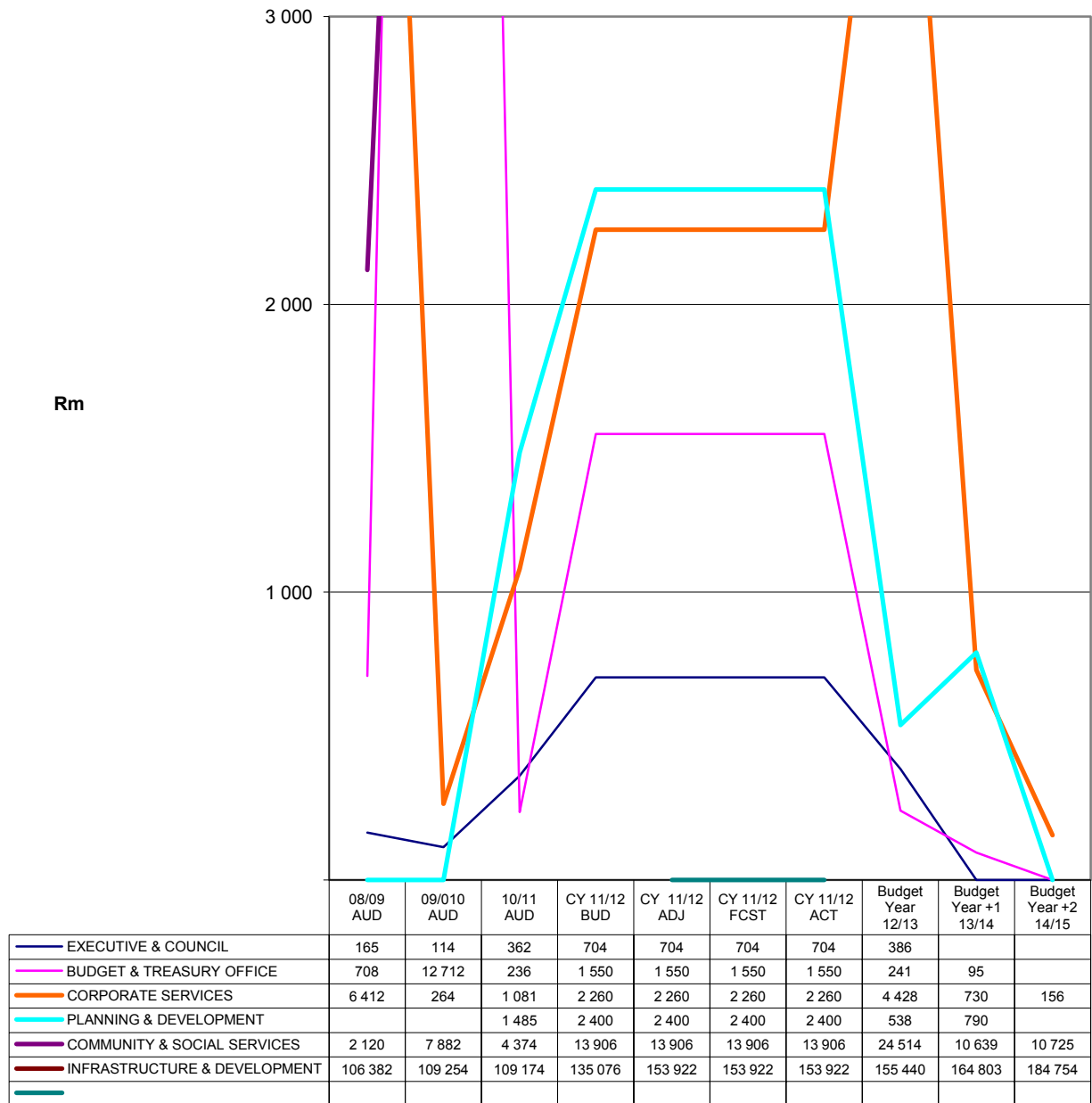


	08/09 AUD	09/010 AUD	10/11 AUD	CY 11/12 BUD	CY 11/12 ADJ	CY 11/12 FCST	CY 11/12 ACT	Budget Year 12/13	Budget Year +1 13/14	Budget Year +2 14/15
COMMUNITY & SOCIAL SERVICES	2 120	7 882	4 374	13 906	13 906	13 906	13 906	24 514	10 639	10 725
PLANNING & DEVELOPMENT			1 485	2 400	2 400	2 400	2 400	538	790	
CORPORATE SERVICES	6 412	264	1 081	2 260	2 260	2 260	2 260	4 428	730	156
BUDGET & TREASURY OFFICE	708	12 712	236	1 550	1 550	1 550	1 550	241	95	
EXECUTIVE & COUNCIL	165	114	362	704	704	704	704	386		

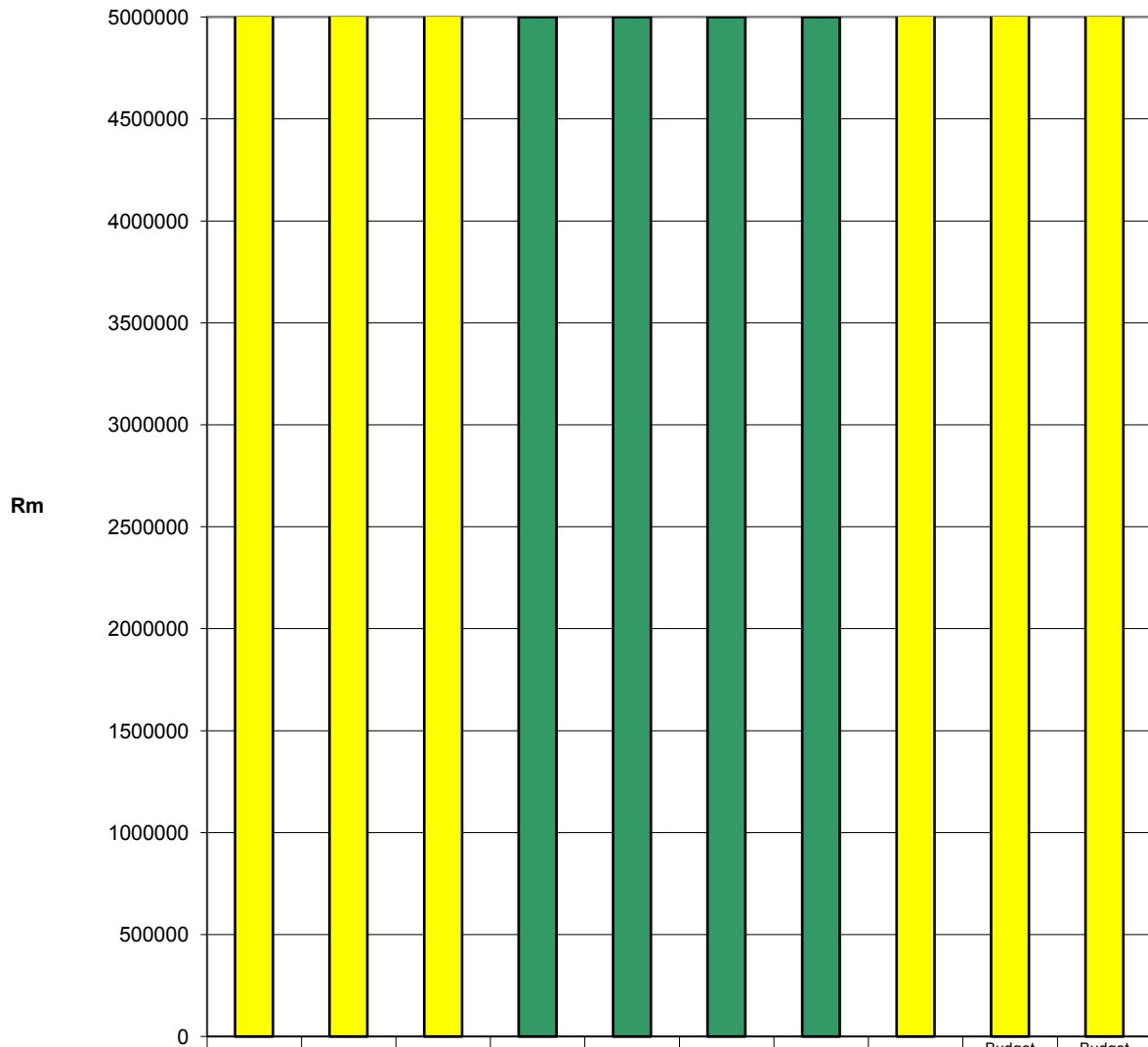
**Capital expenditure by Standard Classification - Chart A11**



**Capital expenditure by Municipal Vote (Major - Trend) - Chart A12**



Capital funding by source - Chart A13



## 2.8 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days).

2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the five interns no one has been appointed permanently. They are expected to complete their two year contract on 30 June 2012, an extension for one year has been granted by National Treasury. Since the introduction of the Internship programme the municipality has successfully employed and trained 4 interns through this programme. Budget and Treasury Office  
The Budget and Treasury Office has been established in accordance with the MFMA.

3. Audit Committee

An Audit Committee has been established and is fully functional.

4. Service Delivery and Implementation Plan

5.

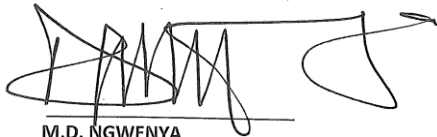
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2012/13 MTREF in June 2012 directly aligned and informed by the 2012/13 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

## 2.9 Municipal manager's quality certificate

I Muzi Daniel Ngwenya municipal manager of Nkomazi Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.



M.D. NGWENYA  
MUNICIPAL MANAGER  
NKOMAZI LOCAL MUNICIPALITY – MP324

